

Exhibit 10

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
) Case No.
vs.) 20-civ-10832 (AT) (SN)
)
RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, AND CHRISTIAN)
LARSEN,)
)
Defendants.)

CONFIDENTIAL
VIDEOTAPED DEPOSITION OF
MIGUEL VIAS
Monday, June 28, 2021

Reported by:
JEFFREY BENZ, RMR, CRR
STENOGRAPHIC REPORTER
JOB No. 210628JBE

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4 VIDEOTAPED DEPOSITION of MIGUEL VIAS, taken by
5 Plaintiff, at the offices of Debevoise & Plimpton, 919
6 Third Avenue, New York, New York, on June 28, 2021,
7 commencing at 9:04 a.m., before Jeffrey Benz, a
8 Certified Realtime Reporter, Registered Merit Reporter
9 and Notary Public within and for the State of New York.
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09:04:36 1 THE VIDEOGRAPHER: We are on record, and
09:04:38 2 the time is approximately 9:04 a.m. in the Eastern
09:04:44 3 time zone. Today's date is June 28, 2021. This is
09:04:50 4 the video deposition of Miguel Vias in a matter of
09:04:54 5 Securities and Exchange Commission versus Ripple
09:04:57 6 Labs, Inc., et al., Number 10832, in the
09:05:03 7 U.S. District Court for the Southern District of New
09:05:06 8 York.

09:05:07 9 My name is Matt Tursi, legal videographer
09:05:10 10 with Gradillas Court Reporting. Today we are at the
09:05:14 11 office of Debevoise & Plimpton, located at 919 Third
09:05:19 12 Avenue, New York, New York 10022.

09:05:25 13 Will counsel please identify yourself and
09:05:27 14 state whom you represent.

09:05:37 15 THE COURT REPORTER: Do we really want to
09:05:38 16 do that?

09:05:41 17 THE VIDEOGRAPHER: Everyone's okay with not
09:05:42 18 doing that? So we will skip that for today.

09:05:45 19 The court reporter is Jeff Benz with
09:05:46 20 Gradillas Court Reporting. Will you please swear in
09:05:46 21 the witness?

09:05:55 22 MIGUEL VIAS,

09:05:55 23 called as a witness, having been first
09:05:56 24 duly sworn by Jeffrey Benz, a Notary
09:05:56 25 Public within and for the State of New

09:05:56 1 York, was examined and testified as
09:05:56 2 follows:

09:05:57 3 EXAMINATION BY MS. WAXMAN:

09:05:58 4 Q. Please state and spell your name for the
09:06:00 5 record.

09:06:01 6 A. Miguel Vias, M-I-G-U-E-L V-I-A-S.

09:06:07 7 Q. Good morning, Mr. Vias. My name is Daphna
09:06:12 8 Waxman, and I represent the SEC, which is the
09:06:14 9 plaintiff in this lawsuit. You provided testimony to
09:06:16 10 the SEC in the investigation that preceded this
09:06:18 11 lawsuit?

09:06:19 12 A. Yes.

09:06:20 13 Q. Have you been deposed or have you provided
09:06:22 14 testimony in a legal proceeding since then?

09:06:25 15 A. No.

09:06:27 16 Q. How many preparations sessions did you have
09:06:29 17 for today's deposition?

09:06:32 18 A. Three or four.

09:06:34 19 Q. If you had to estimate how much time you
09:06:36 20 spent preparing for today's deposition, how many
09:06:39 21 hours would be in total?

09:06:40 22 A. Somewhere between 10 and 50.

09:06:43 23 Q. And who was present at those meetings,
09:06:44 24 those prep sessions?

09:06:47 25 A. At some, it was Sean and Justin, my

09:06:51 1 counsel. And at some, Debevoise joined as well.

09:06:55 2 Q. Did counsel for any of the individual
09:06:57 3 defendants attend?

09:06:58 4 A. No.

09:06:59 5 Q. Do you understand that one of the issues in
09:07:01 6 this lawsuit is whether XRP is a security and subject
09:07:05 7 to SEC jurisdiction?

09:07:07 8 A. Yes.

09:07:08 9 Q. Are you aware of anyone affiliated with the
09:07:10 10 SEC communicating to Ripple that XRP is not a
09:07:16 11 security?

09:07:17 12 MS. COWAN: I'm sorry, before we get into
09:07:18 13 substance, can I put two things on the record?

09:07:20 14 MS. WAXMAN: Yes. Thank you.

09:07:22 15 MS. COWAN: First, we are designating the
09:07:23 16 transcript of the deposition and the video of the
09:07:26 17 deposition as confidential under the protective
09:07:28 18 order. And second, per stipulation, an objection by
09:07:33 19 any lawyer will signify an objection that is
09:07:36 20 preserved for all, with respect to all the
09:07:38 21 defendants.

09:07:39 22 MS. WAXMAN: Sure.

09:07:42 23 Can the court reporter please repeat the
09:07:43 24 question.

09:07:55 25 (The record was read back.)

09:07:56 1 A. No.

09:07:57 2 Q. Are you aware of anyone affiliated with the
09:07:59 3 SEC communicating to Ripple that Ripple sales of XRP
09:08:05 4 are not securities transactions?

09:08:07 5 A. No.

09:08:08 6 Q. Throughout your tenure at Ripple, you were
09:08:12 7 aware that there was a risk that Ripple's sales of
09:08:16 8 XRP could be deemed sales of securities.

09:08:21 9 MR. HORTON: Objection to form.

09:08:22 10 A. Throughout, no. I wouldn't say from the
09:08:26 11 very beginning.

09:08:27 12 Q. At some point, you were aware that Ripple's
09:08:29 13 sales of XRP could be deemed sales of securities?

09:08:34 14 A. Yes.

09:08:34 15 Q. At what point?

09:08:39 16 A. It's hard to say definitively, but --
09:08:41 17 probably sometime in early 2018.

09:08:44 18 Q. Okay. And what prompted that?

09:08:51 19 A. There was -- or rumors of a Coinbase
09:08:55 20 listing, in late 2017 or early 2018. And then if I
09:09:01 21 remember correctly, Coinbase came out and said they
09:09:05 22 weren't going to list XRP. And then there was a ton
09:09:09 23 of chatter online as to that being because XRP wasn't
09:09:10 24 a security. It was the first time that really came
09:09:12 25 to light for me.

09:09:15 1 Q. Were others aware that there was a -- were
09:09:18 2 others at Ripple aware that there was a risk of
09:09:20 3 Ripple sales of XRP could be deemed sales of
09:09:24 4 securities?

09:09:26 5 MR. HORTON: Objection to form.

09:09:27 6 A. I assume so.

09:09:29 7 Q. You did have conversations with others
09:09:31 8 about the potential risk of Ripple sales of XRP could
09:09:34 9 be deemed sales of securities?

09:09:39 10 MS. COWAN: I'm going to instruct the
09:09:40 11 witness to just answer yes or no at this point.

09:09:43 12 A. Okay.

09:09:44 13 Q. Well, did you have any conversation with
09:09:46 14 non-attorneys about the risk that Ripple sales of XRP
09:09:52 15 could be deemed sales of securities?

09:09:55 16 A. Yes.

09:09:56 17 Q. And when did you have those conversations?

09:09:58 18 A. Oh, I won't remember.

09:09:59 19 Q. In 2017, did you have those conversations?

09:10:01 20 A. Unlikely.

09:10:08 21 Q. In 2018, did you have those conversations?

09:10:09 22 A. More likely, yeah.

09:10:10 23 Q. Did those conversations occur in the
09:10:11 24 context of the Coinbase application, to list XRP?

09:10:15 25 A. I don't remember.

09:10:18 1 Q. You've worked in finance for over 15 years?

09:10:24 2 A. Yes.

09:10:26 3 Q. Those conversations that you had with
09:10:28 4 people at Ripple, about the risk of Ripple sales of
09:10:32 5 XRP could be deemed sales of securities, who were
09:10:35 6 those conversations with?

09:10:37 7 A. I won't remember specifics.

09:10:39 8 Q. Did you have a conversation with Chris
09:10:41 9 Larsen about the potential risk that Ripple sales of
09:10:46 10 XRP could be deemed sales of securitization?

09:10:48 11 A. I don't remember.

09:10:49 12 Q. Did you have a conversation with
09:10:50 13 Mr. Garlinghouse about the risk that Ripple sales of
09:10:53 14 XRP could be sales of securities?

09:10:54 15 A. Not that I remember, no.

09:10:55 16 Q. Who did you speak with at Ripple about the
09:11:05 17 risk that Ripple sales of XRP could be deemed sales
09:11:08 18 of securities?

09:11:10 19 A. The folks that I remember most clearly
09:11:12 20 discussing this with would have [REDACTED], who is
09:11:17 21 a lawyer for the company.

09:11:21 22 Q. Okay. I don't want to -- don't tell me any
09:11:23 23 conversations that you had with lawyers, but that's
09:11:24 24 fine if you tell me the names of lawyers, but I don't
09:11:27 25 want to --

09:11:28 1 A. Okay.

09:11:28 2 Q. -- don't tell me the substance of those
09:11:29 3 conversations.

09:11:29 4 A. Okay. [REDACTED]

09:11:41 5 I'm trying to remember if there's anybody
09:11:44 6 on the markets team.

09:11:47 7 I don't remember any particular
09:11:49 8 conversations with other -- with other people.

09:11:52 9 Q. Those three individuals that you just
09:11:53 10 named, [REDACTED] are they
09:11:57 11 Ripple's lawyers?

09:12:00 12 A. Two of them are; one of them was.

09:12:03 13 Q. And did you have conversations with these
09:12:06 14 individuals in 2018?

09:12:08 15 A. Yes.

09:12:15 16 Q. You've worked as a professional trader for
09:12:17 17 over 15 years?

09:12:19 18 A. No.

09:12:21 19 Q. Do you have any experience trading?

09:12:23 20 A. I do.

09:12:24 21 Q. What is your experience?

09:12:26 22 A. I was a trader -- I started my career as
09:12:30 23 a -- precious metals trader, in 2000. And I did that
09:12:35 24 on and off until about 2012. It's about 12 years.

09:12:42 25 Q. Did you run a training desk as a precious

09:12:45 1 metals trader?

09:12:46 2 A. I never ran the desk.

09:12:49 3 Q. Are you familiar with a trading desk?

09:12:53 4 A. Yes.

09:12:53 5 Q. Okay. And for those people who are not
09:12:57 6 familiar with the term, what is a "trading desk"?

09:13:01 7 A. So a trading desk is where either banks,
09:13:05 8 or -- hedge funds, traders, will trade. It's where
09:13:13 9 the -- the traders sit, and -- I'm sorry, could you
09:13:20 10 rephrase that question, Daphna? I mean, I'm
09:13:22 11 struggling.

09:13:23 12 Q. Sure. If someone is not familiar with the
09:13:25 13 term trader -- "trading desk," how would you explain
09:13:27 14 the function of a trading desk?

09:13:29 15 A. The function. Sorry. I'm --

09:13:31 16 So the job entails you're making markets
09:13:35 17 for customers; in precious metals, in this case. Or
09:13:41 18 proprietarily trading a capital of the company,
09:13:43 19 whether it's a bank or hedge fund, in order to make
09:13:45 20 money.

09:13:46 21 Q. So trading for customers, what sorts of
09:13:49 22 customers could it be?

09:13:51 23 A. My customers tended to be hedge funds or
09:13:55 24 precious metals multipliers.

09:13:57 25 Q. And if you trade on a proprietary basis,

09:14:00 1 who are you trading for?

09:14:02 2 A. The entity, the company.

09:14:05 3 Q. Where do you currently work?

09:14:08 4 MS. PROSTKO: Excuse me. Sorry to
09:14:09 5 interrupt, but we're having some problem with the
09:14:11 6 Zoom audio. Is there any way you can adjust the
09:14:14 7 mikes, or volume?

09:14:30 8 MS. FORBES: The audio is cutting in and
09:14:31 9 out, so we're not able to hear the witness or Daphna.
09:14:35 10 We're only getting about 50 percent.

09:15:39 11 (Discussion off the record.)

09:15:50 12 MS. WAXMAN: Let's start over.

09:15:52 13 Q. Where could you currently work?

09:15:54 14 A. I recently started at a company called

09:15:57 15 [REDACTED]

09:15:58 16 Q. And when did you begin with your employment
09:16:01 17 with [REDACTED]?

09:16:03 18 A. I signed the contract last week.

09:16:06 19 Q. And what is [REDACTED]?

09:16:09 20 A. [REDACTED] is a technology company that provides
09:16:12 21 a platform for video game developers to integrate
09:16:15 22 watchings into the video games.

09:16:21 23 THE COURT REPORTER: I'm sorry, to
09:16:21 24 integrate what?

09:16:21 25 THE WITNESS: Watchings.

09:16:22 1 Q. And what is your title with [REDACTED]?

09:16:24 2 A. VP of growth.

09:16:25 3 Q. And what are your responsibilities?

09:16:28 4 A. It's not 100 percent clear yet.

09:16:32 5 Q. Does [REDACTED] have a relationship to Ripple?

09:16:36 6 MR. HORTON: Objection to form.

09:16:37 7 A. Yes.

09:16:39 8 Q. What is the relationship?

09:16:40 9 A. As I understand it, Ripple had a
09:16:45 10 partnership with [REDACTED] which became in 2018. I
09:16:50 11 don't know the specifics around -- exactly what the
09:16:54 12 partnership entails, but I know that there is some
09:16:56 13 sort of a partnership.

09:16:57 14 Q. Did Ripple provide [REDACTED] with XRP in
09:17:01 15 connection with the partnership?

09:17:02 16 A. I believe so.

09:17:04 17 Q. And did XR -- did [REDACTED] use that XRP to
09:17:08 18 fund its operations?

09:17:11 19 MR. HORTON: Objection to form.

09:17:11 20 A. I don't know.

09:17:12 21 Q. What did [REDACTED] do with the XRP?

09:17:14 22 MR. HORTON: Objection to form.

09:17:22 23 A. I'm not 100 percent clear on what they did
09:17:23 24 with XRP.

09:17:24 25 Q. How does [REDACTED] fund its operations today?

09:17:27 1 A. As I understand it, the company is
09:17:29 2 venture-backed.

09:17:32 3 Q. Where did you work before signing on with

09:17:34 4 [REDACTED]?

09:17:34 5 A. Immediately before [REDACTED], I wasn't working
09:17:44 6 anywhere.

09:17:48 7 Q. What was your employment before [REDACTED]
09:17:49 8 Where did you work?

09:17:50 9 A. I worked with a company called [REDACTED]

09:17:53 10 Q. And when did you start there?

09:17:56 11 A. August of 2020.

09:17:57 12 Q. What is that company?

09:17:58 13 A. [REDACTED] is a platform for secondary shares,
09:18:01 14 trading.

09:18:05 15 Q. And what was your title?

09:18:06 16 A. CO.

09:18:07 17 Q. And what were your responsibilities?

09:18:10 18 A. Primarily, I was there to -- to -- you
09:18:14 19 know, inject operational structure into the company,
09:18:18 20 figure out reporting lines, goal setting, just kind
09:18:22 21 of part of the operational edifice, if you will, of
09:18:27 22 the company.

09:18:28 23 Q. Did your responsibilities involve trading
09:18:31 24 or selling digital assets?

09:18:34 25 A. No.

09:18:36 1 Q. Did -- did the company have any
09:18:39 2 relationship to Ripple?

09:18:41 3 MR. HORTON: Objection to form.

09:18:42 4 A. No.

09:18:42 5 MS. WAXMAN: Can everyone hear me on the
09:18:51 6 Zoom?

09:18:53 7 THE VIDEOGRAPHER: It's still cutting in
09:18:54 8 and out, from what I am hearing. Mostly it's a
09:18:56 9 little better, but is this the Zoom computer over
09:18:58 10 here?

09:18:58 11 MR. HORTON: Off the record, please.

09:19:01 12 THE VIDEOGRAPHER: Yeah. Going off the
09:19:02 13 record at 9:18 a.m. Eastern.

09:19:06 14 (Discussion off the record.)

09:26:22 15 THE VIDEOGRAPHER: We are back on the
09:26:22 16 record at 9:26 a.m.

09:26:30 17 Q. Mr. Vias, I just want to clarify something
09:26:32 18 that you said earlier about Coinbase.

09:26:38 19 So following rumors of a Coinbase listing,
09:26:40 20 Coinbase said they weren't going to list XRP because
09:26:46 21 it was a security?

09:26:48 22 MR. HORTON: Objection to form.

09:26:48 23 A. No.

09:26:49 24 If I remember correctly, I think it was in
09:26:51 25 January of 2018, in order to quell the rumors that

09:26:55 1 were going around online Coinbase said they were not
09:26:59 2 listing XRP. And then there was a ton of chatter
09:27:02 3 online and assumptions, suppositions, however, that
09:27:05 4 it was because XRP might be a security.

09:27:09 5 Q. Did Coinbase not list XRP because they were
09:27:14 6 concerned that it was a security?

09:27:17 7 MR. HORTON: Objection to form.

09:27:18 8 A. Coinbase ended up listing XRP.

09:27:20 9 Q. And at the time that these rumors were
09:27:23 10 circulated, was there concern by Coinbase that XRP
09:27:37 11 could be deemed a security?

09:27:39 12 MR. HORTON: Objection to form.

09:27:41 13 A. I don't know.

09:27:41 14 Q. You joined Ripple in November 2016?

09:27:43 15 A. Yes.

09:27:44 16 Q. When you were hired, did anyone tell you
09:27:47 17 what you will be tasked to do, in relation to XRP?

09:27:54 18 MS. COWAN: Objection.

09:27:55 19 A. So when I joined, the role -- the way it
09:28:00 20 was explained to me at the time, was in charge of
09:28:05 21 building out the liquidity ecosystem for XRP.

09:28:10 22 Q. What does that mean, to build out the
09:28:18 23 liquidity ecosystem?

09:28:20 24 A. So at the time -- at the time that broadly
09:28:26 25 meant make XRP more liquid, however we could. And it

09:28:31 1 wasn't 100 percent clear when I joined sort of how we
09:28:33 2 were going to do that, but that was the task.

09:28:37 3 Q. Was the task to increase demand for XRP?

09:28:41 4 A. No.

09:28:41 5 Q. Was the task to maximize Ripple's proceeds
09:28:45 6 from its XRP sales?

09:28:47 7 A. No.

09:28:52 8 Q. Was the task to increase the number of
09:28:54 9 market participants that trade in XRP?

09:29:00 10 A. I wouldn't say that was an -- a -- like a
09:29:05 11 line item in the job description. But as a
09:29:08 12 consequence of growing liquidity, I think the
09:29:14 13 assumption is you have to increase the number of
09:29:15 14 people who are participating in the market in order
09:29:17 15 to grow the liquidity.

09:29:19 16 Q. Why didn't Ripple want you to maximize
09:29:23 17 procedures from XRP sales?

09:29:27 18 MR. HORTON: Objection to form.

09:29:28 19 A. It wasn't part of the job description.
09:29:30 20 That wasn't my role when I started.

09:29:41 21 MS. WAXMAN: Exhibit 1.

09:29:45 22 MR. TENREIRO: Nicole, you can hear us?
09:29:48 23 We're doing Exhibit 1.

09:29:49 24 (Email chain re: Touching Base, Bates Stamp
09:29:49 25 Number 0353551 was marked MV Exhibit 1 for

09:29:49 1 identification, as of this date.)

09:30:13 2 MS. FORBES: Exhibit 1, correct?

09:30:16 3 MR. TENREIRO: Do you have Josh's email,
09:30:18 4 Nicole?

09:30:20 5 MS. FORBES: No.

09:30:21 6 (Discussion off the record.)

09:30:28 7 MR. TENREIRO: Okay. She has it.

09:30:30 8 Q. Mr. Vias, I'm showing you what has been
09:30:32 9 previously marked as Exhibit 1, which has the Bates
09:30:34 10 Stamp Number 0353551. Please take a moment to take a
09:30:40 11 look at it, let me know when you're done.

09:31:12 12 (Witness reviewing document.)

09:32:54 13 A. Okay.

09:32:55 14 Q. I know you're not on this email, but the
09:32:59 15 email -- what does the email talk about?

09:33:04 16 MR. HORTON: Objection to -- to form. Do
09:33:06 17 you want to direct him to a particular part of it?

09:33:09 18 MS. WAXMAN: Sure.

09:33:10 19 Q. At the bottom of the email -- the email is
09:33:12 20 from Patrick Griffin to Chris Larsen.

09:33:16 21 Who is Patrick Griffin?

09:33:18 22 A. Patrick Griffin -- at the time, I think he
09:33:21 23 was VP of business development. I think that was his
09:33:26 24 title.

09:33:31 25 Q. And who was Chris Larsen?

09:33:33 1 A. The executive chairman at Ripple.

09:33:35 2 Q. And before you accepted your offer at
09:33:36 3 Ripple, did you talk with Patrick about the role?

09:33:41 4 A. I did.

09:33:42 5 Q. And at the bottom of Exhibit 1, he lists
09:33:48 6 certain priorities for your role. Did he communicate
09:33:50 7 any of these things to you?

09:33:53 8 A. I don't remember.

09:34:01 9 Q. Did he tell you part of the role was to
09:34:03 10 maximize proceeds from XRP?

09:34:07 11 A. I don't remember.

09:34:11 12 Q. Did he tell you part of the role was to
09:34:13 13 manage market maker relationships?

09:34:17 14 A. I -- I don't remember.

09:34:20 15 Q. Did he tell you part of the role was to
09:34:22 16 make XRP liquid and build trading interest in XRP?

09:34:27 17 A. That is what I remember being the crux of
09:34:29 18 the role.

09:34:30 19 Q. And at the time that you had that -- at the
09:34:33 20 time that you started with Ripple, was the XRP market
09:34:39 21 liquid?

09:34:41 22 MS. COWAN: Objection.

09:34:49 23 A. At the time, if I remember correctly, XRP
09:34:52 24 was trading about \$2 million a day, maybe on four
09:34:56 25 exchanges, maybe five.

09:34:58 1 So there was some liquidity.

09:35:03 2 Q. But it was very small?

09:35:05 3 MR. HORTON: Objection to form.

09:35:06 4 A. In comparison to traditional markets, yes.

09:35:22 5 Q. Where could you buy, sell, or trade XRP at
09:35:26 6 the time?

09:35:28 7 MR. HORTON: Objection to form.

09:35:34 8 A. I don't remember the exchanges.

09:35:37 9 Q. Could you trade XRP off ledger?

09:35:43 10 A. Yes.

09:35:44 11 Q. And on how many exchanges?

09:35:46 12 A. I think it was -- somewhere between four
09:35:47 13 and six.

09:35:49 14 Q. And could you trade XRP on the ledger?

09:35:55 15 A. Yes.

09:35:56 16 Q. Was that the primary way people traded XRP?

09:36:00 17 MR. HORTON: Objection to form.

09:36:05 18 A. I think the volume at the time was 50/50,
09:36:08 19 on protocol/off protocol.

09:36:11 20 Q. And when you say "on protocol," you're
09:36:13 21 talking about trading on the ledger?

09:36:15 22 A. On the ledger.

09:36:16 23 Q. And "off protocol," you're talking about
09:36:18 24 trading on digital asset trading platforms?

09:36:22 25 A. Correct.

09:36:23 1 Q. Were those platforms in the United States?

09:36:27 2 MR. HORTON: Objection to form.

09:36:29 3 A. I think most weren't.

09:36:32 4 Q. At the time?

09:36:33 5 A. At the time, yes.

09:36:34 6 Q. And we're talking about when you first
09:36:35 7 started at --

09:36:36 8 A. November '16.

09:36:38 9 Q. What was XRP's price when you first
09:36:40 10 started?

09:36:44 11 A. I believe it was 6/10 of a penny.

09:36:48 12 Q. What were the spreads like?

09:36:51 13 MR. HORTON: Objection to form.

09:36:51 14 A. I don't remember.

09:36:53 15 Q. Wide?

09:36:56 16 MR. HORTON: Objection.

09:36:57 17 A. I don't remember.

09:36:58 18 Q. Were there market makers making markets in
09:37:01 19 XRP at the time?

09:37:04 20 A. Yes.

09:37:07 21 Q. Did Ripple pay those market makers to make
09:37:10 22 a market in XRP?

09:37:12 23 MR. HORTON: Objection to form.

09:37:15 24 A. So I don't -- so -- we -- Ripple, when I
09:37:23 25 joined, was paying market makers mostly for liquidity

09:37:31 1 on the protocol. But I -- I don't know if there were
09:37:35 2 other market makers that were also providing
09:37:39 3 liquidity that had nothing to do with Ripple.

09:37:41 4 Q. To your knowledge, you didn't know of any
09:37:43 5 other market makers that were making markets in XRP,
09:37:46 6 other than the ones Ripple was paying?

09:37:49 7 MR. HORTON: Objection. Form.

09:37:50 8 A. I don't remember, no. I don't think so.

09:37:58 9 Q. People who were buying and selling XRP at
09:38:01 10 the time, they were mostly speculators?

09:38:08 11 MR. HORTON: Objection to form.

09:38:09 12 A. I don't know.

09:38:09 13 Q. Did Ripple sell any product that used XRP
09:38:12 14 when you joined in November 2016?

09:38:30 15 A. No.

09:38:33 16 Q. You said that Ripple paid market makers to
09:38:35 17 make markets on the XRP ledger at the time you
09:38:38 18 joined.

09:38:40 19 What was the role of those market makers?

09:38:45 20 A. As I understand it, it was -- we are
09:38:48 21 talking about things that predated my joining. But
09:38:52 22 the way I understand it is they were being paid to
09:38:54 23 provide liquidity on the protocol. So bid and
09:38:57 24 offers, bids and offers on the protocols so people
09:39:00 25 could trade.

09:39:01 1 Q. Did those relationships continue once you
09:39:04 2 joined Ripple?

09:39:07 3 A. The relationship with market makers
09:39:09 4 continued, yes.

09:39:10 5 Q. And the purpose of those relationships was
09:39:14 6 to create liquidity on the ledger for XRP?

09:39:19 7 A. It changed. So we -- the -- the on-ledger
09:39:25 8 protocol liquidity didn't seem to be doing much for
09:39:32 9 overall liquidity. So when I joined, we made the
09:39:38 10 decision to stop the on -- the on-ledger liquidity
09:39:43 11 programs.

09:39:44 12 Q. Okay. And how long were you with Ripple
09:39:47 13 when you made that decision?

09:39:49 14 A. It was within the first six months.

09:39:53 15 Q. So just focusing on the -- the contracts
09:39:56 16 with market makers to make markets on ledger, you
09:40:08 17 wanted more liquidity for speculating -- speculative
09:40:09 18 trading on the ledger, right?

09:40:11 19 MR. HORTON: Objection to form.

09:40:14 20 A. I did not.

09:40:15 21 Q. Did -- Ripple wanted more speculative
09:40:18 22 trading on the ledger?

09:40:19 23 MR. HORTON: Objection to form.

09:40:22 24 A. I -- hard for me to speak for Ripple,
09:40:25 25 but --

09:40:25 1 Q. You were head of the XRP markets, right?

09:40:31 2 A. I was.

09:40:32 3 Q. Okay.

09:40:34 4 Ripple -- did Ripple want more speculative
09:40:38 5 trading of XRP on the XRP ledger?

09:40:40 6 MR. HORTON: Objection to form.

09:40:47 7 A. Can I give a little context?

09:40:49 8 Q. Sure.

09:40:51 9 A. So in March of 2017, I sit down with
09:40:58 10 product, and we decide that the best way to build a
09:41:07 11 remittance product is using the exchanges.

09:41:13 12 What had happened on the protocol before
09:41:15 13 was a version of what ended up being xRapid. So the
09:41:20 14 same \$5 -- you know, buy XRP using dollars, send it
09:41:26 15 to a Mexican exchange, sell it there for pesos, and
09:41:29 16 then deliver out, which ended up being xRapid ODL.
09:41:32 17 That was what had been tried on the protocol.

09:41:35 18 And the way I understand it, when I joined,
09:41:38 19 there were still some kind of product ideas that
09:41:43 20 would go back to that. And -- that's why we wanted
09:41:46 21 the protocol to remain active, because the idea was
09:41:51 22 eventually we would build products for it directly.

09:41:58 23 I didn't think that was making a lot of
09:42:00 24 sense. There was liquidity on the digital currency
09:42:02 25 exchanges. What we needed for the remittance product

09:42:04 1 was liquidity. Continuing to focus on the protocol
09:42:08 2 made -- just didn't seem to make a lot of sense.

09:42:11 3 Q. Was speculative XRP trading volume a
09:42:13 4 prerequisite for using XRP for cross-border payments?

09:42:18 5 MR. HORTON: Objection to form.

09:42:19 6 A. No. It is not a prerequisite.

09:42:22 7 Q. What is -- okay. Was it needed in order
09:42:25 8 for XRP to be adopted for cross-border payments?

09:42:31 9 MR. HORTON: Objection to form.

09:42:32 10 A. So what was needed for XRP to be adopted
09:42:34 11 for cross-border payments is very liquid markets.
09:42:40 12 Speculation is a part of every liquid market that I
09:42:42 13 know of. So are market makers, and so are -- so is
09:42:47 14 commercial flow.

09:42:49 15 So if you -- if you look at -- as an
09:42:52 16 example, if you look at the gold market versus the FX
09:42:55 17 market, the gold market has the same speculators that
09:43:00 18 live in FX, it has the same market makers that live
09:43:04 19 in FX, but it doesn't have any commercial flow. So
09:43:08 20 nobody's buying and selling gold to hedge out the
09:43:10 21 existing risks. So that -- that commercial flow is
09:43:14 22 what ends up getting you the biggest markets in the
09:43:17 23 world. You can have big markets without that.

09:43:20 24 In the case of XRP, it's the same thing.
09:43:23 25 Like the idea is, okay, we need to bring in these

09:43:27 1 buckets of liquidity. The last one being that
09:43:30 2 commercial flow that is enabled by xRapid. So you
09:43:33 3 need to bring in speculative trading, certainly.
09:43:36 4 That usually is the first piece that comes in. Then
09:43:39 5 market makers follow because they see an opportunity
09:43:41 6 to make money. And then you bring in the commercial
09:43:45 7 flow. It's not -- it's more art than science, but
09:43:50 8 that's roughly the sequencing.

09:43:52 9 Q. So speculative trading was something that
09:43:56 10 Ripple focused on, early on, in the company's
09:44:01 11 history?

09:44:03 12 MS. COWAN: Objection.

09:44:05 13 A. So, again, I -- I started in November of
09:44:08 14 '16. What I understand in terms of the -- the
09:44:11 15 liquidity programs, was really around market makers,
09:44:15 16 and making sure that the protocol was viable for
09:44:19 17 trading on, in order to be traded on. If there's no
09:44:22 18 liquidity on the protocol, nobody's going to bother.

09:44:26 19 So it's hard for me to speak to about --
09:44:28 20 you know, to the point of, like, what the company was
09:44:29 21 doing early, early on with respect to speculation.
09:44:32 22 What I saw was really more an attempt to bring in the
09:44:36 23 market makers first in order to then point to
09:44:42 24 something that was alive, if you will.

09:44:43 25 Q. And what was the purpose of bringing in the

09:44:45 1 market makers?

09:44:47 2 MS. COWAN: Objection.

09:44:50 3 A. So, again, I think to just kind of think of
09:44:51 4 that sequencing, and maybe the -- maybe the
09:44:53 5 sequencing wasn't perfect, but you bring in -- you
09:44:56 6 bring in the market makers. That does hopefully pull
09:44:59 7 in some speculative trading because there's markets
09:45:01 8 now to speculate on. And then you pull down the
09:45:05 9 commercial flow at the end.

09:45:06 10 Q. When you say "commercial flow," what do you
09:45:08 11 mean?

09:45:08 12 A. So that would be, that would be -- a
09:45:12 13 typical xRapid flow is an example. So I -- at
09:45:19 14 maturity, if xRapid is at scale being used by -- by
09:45:23 15 commerce, by companies, what you should have is a ton
09:45:27 16 of bidirectional flow through books. In the case of
09:45:31 17 the protocol, the company got -- you know, maybe we
09:45:33 18 could do it on the protocol, but it ended we went
09:45:37 19 off -- off ledger.

09:45:52 20 Q. Did this bidirectional flow ever come into
09:45:55 21 existence?

09:45:56 22 MS. COWAN: Objection.

09:45:57 23 A. Not while I was at the company.

09:46:00 24 Q. And when did xRapid gain -- start being
09:46:05 25 used by entities?

09:46:11 1 MR. HORTON: Objection to form.

09:46:12 2 A. If I remember correctly, we started to move
09:46:15 3 pilots in early 2018.

09:46:18 4 Q. Was there any significant volume in xRapid
09:46:21 5 prior to Ripple's agreement with MoneyGram?

09:46:30 6 MR. HORTON: Objection.

09:46:31 7 A. I don't remember.

09:46:33 8 Q. So prior to 2018, all of the trading that
09:46:42 9 Ripple supported was in connection with building
09:46:45 10 liquidity and speculative trading?

09:46:48 11 MR. HORTON: Objection to form.

09:46:49 12 A. So it was building liquidity. So bringing
09:46:52 13 in those two -- those first two pillars of liquid
09:46:55 14 markets, the market makers and then -- and then
09:46:57 15 speculative.

09:46:58 16 Q. And speculative trading is a part of
09:47:01 17 liquidity, getting -- creating liquidity, correct?

09:47:05 18 A. Speculative trading is, I think, a part of
09:47:08 19 any healthy market.

09:47:21 20 MS. WAXMAN: Exhibit 31, please.

09:47:22 21 MR. TENREIRO: 31, Nicole.

09:47:24 22 (Email re: Q1 2017 XRP Markets Report,
09:47:24 23 Bates Number 0199787, was marked MV Exhibit 31
09:47:24 24 for identification, as of this date.)

09:47:38 25 Q. Mr. Vias, I'm showing you what's been

09:47:41 1 marked as Exhibit 31, which has the Bates
09:47:43 2 Number 0199787.

09:48:26 3 Did Ripple begin to publish XRP markets
09:48:29 4 report -- oh, tell me when you're finished.

09:48:32 5 A. No, no, I -- just --

09:48:42 6 (Witness reviewing document.)

09:48:42 7 A. Okay.

09:48:43 8 Q. Did Ripple begin to publish XRP market
09:48:47 9 reports in early 2017?

09:48:51 10 A. Yes.

09:48:52 11 Q. Did you author those reports?

09:48:55 12 A. I was one of the authors, yes.

09:49:01 13 Q. Are -- is Exhibit 31 comments on a draft
09:49:03 14 report?

09:49:04 15 A. I think so, yes.

09:49:04 16 Q. In the middle of the page, it says, Miguel
09:49:11 17 Vias. Are these your comments to draft language in
09:49:14 18 the XRP market reports?

09:49:16 19 A. Yes.

09:49:17 20 Q. You write, "Liquidity means being able to
09:49:21 21 put on a position as well as being able to get out.
09:49:24 22 You can't speculate without either."

09:49:26 23 A. Uh-huh.

09:49:27 24 Q. So liquidity is needed for speculative
09:49:29 25 trading in XRP?

09:49:33 1 MS. COWAN: Objection.

09:49:34 2 A. In everything. You can't speculate in
09:49:36 3 something if it's not liquid.

09:49:49 4 Q. Who did you report to in 2016?

09:49:54 5 A. Patrick Griffin.

09:49:56 6 Q. And did that change over time?

09:49:58 7 A. It did.

09:49:59 8 Q. And when did that change?

09:50:06 9 A. Late '17. Either November or December. I
09:50:09 10 can't remember exactly.

09:50:11 11 Q. Who did you report to then?

09:50:13 12 A. Ron Will.

09:50:15 13 Q. Who did you report to after Ron Will?

09:50:18 14 A. [REDACTED]

09:50:20 15 Q. Who did you report to after that?

09:50:28 16 A. [REDACTED]

09:50:30 17 Q. Did you report to anyone else while you
09:50:31 18 were at Ripple?

09:50:33 19 A. I don't think so.

09:50:35 20 Q. Did anyone report to you?

09:50:39 21 A. Yes.

09:50:40 22 Q. Who reported to you?

09:50:44 23 A. Throughout my whole -- time?

09:50:47 24 Q. Sure. Why don't you tell me when you first
09:50:49 25 started in 2016, in November 2016. Did anyone report

09:50:52 1 to you?

09:50:54 2 A. When I first started, [REDACTED] reported
09:50:59 3 to me.

09:51:00 4 Q. Did anyone else report to you?

09:51:02 5 A. Not that I remember, no.

09:51:04 6 Q. Later on, in 2017, did anyone report to
09:51:07 7 you?

09:51:09 8 A. In 2017, Dinuka Samarasinghe reported to
09:51:12 9 me.

09:51:13 10 Q. Anyone else?

09:51:21 11 A. I can't remember if it was in 2017, but
09:51:23 12 shortly thereafter [REDACTED] joined the team
09:51:26 13 and she reported to me as well.

09:51:28 14 Q. And did anyone else report to you?

09:51:41 15 A. Yes. I'm going to forget exactly when
09:51:48 16 these folks joined so I'm going to say the names as I
09:51:51 17 remember them.

09:51:56 18 [REDACTED]

09:52:03 19 [REDACTED]

09:52:17 20 I'm blanking on [REDACTED] last name, in
09:52:19 21 Singapore.

09:52:22 22 Bad form for a boss.

09:52:25 23 MS. COWAN: I'm sorry, I can't hear you.

09:52:26 24 A. I said I'm blanking on [REDACTED] last name,
09:52:29 25 in Singapore, which is bad form for a boss.

09:52:33 1 Q. It's been a while.

09:52:34 2 A. It has, and he doesn't keep in touch.

09:52:37 3 Q. He deserves it.

09:52:41 4 Anyone else?

09:52:42 5 A. I think those were my direct -- there are
09:52:46 6 other people on the team, but I think those are the
09:52:49 7 people that directed -- that reported directly to me.

09:52:50 8 Q. Okay. And what was [REDACTED] role?

09:53:00 9 A. [REDACTED] -- her primary role was market
09:53:12 10 maker relationships and bringing in new ones. She
09:53:17 11 also -- she had -- she was -- soft relationship
09:53:30 12 manager with the exchanges. And -- like -- you know,
09:53:32 13 almost eyes and ears in terms of what was happening
09:53:36 14 out in the marketplace.

09:53:38 15 I would say she was the conduit to much of
09:53:45 16 what was happening in the liquidity ecosystem, from a
09:53:47 17 relationship perspective.

09:53:49 18 Q. Did she communicate with buyers of XRP,
09:53:53 19 people who bought XRP from Ripple?

09:53:57 20 A. I -- I believe so, a few times, yes.

09:54:00 21 Q. Was that part of her role?

09:54:02 22 A. I don't remember if it was explicit.

09:54:10 23 Q. What was [REDACTED] role?

09:54:12 24 A. [REDACTED] was responsible for payment processor
09:54:13 25 relationships and partnerships.

09:54:16 1 Q. What was [REDACTED] role?

09:54:20 2 A. Similar.

09:54:21 3 Q. What about [REDACTED] role?

09:54:24 4 A. [REDACTED] was -- he was -- for lack of a better
09:54:30 5 word, he was our quantitative resource on the desk.

09:54:36 6 Q. Can you please explain what his job
09:54:39 7 responsibilities were.

09:54:40 8 A. So [REDACTED] was the bridge between our team and
09:54:46 9 data. So much of what the markets team did required
09:54:56 10 a good understanding of markets, what was happening,
09:54:58 11 that -- that required data. And we were having
09:55:02 12 trouble getting the data out of data team. We hired
09:55:08 13 [REDACTED] to do some of that, supplement some of the data
09:55:10 14 team's responsibilities. So he would ingest data and
09:55:14 15 then analyze it for us, and put it in a kind of human
09:55:18 16 digestible form.

09:55:20 17 Q. Did you collect data related to XRP?

09:55:23 18 A. Yes.

09:55:24 19 Q. Daily?

09:55:32 20 A. I think so.

09:55:38 21 Q. What specific data did you collect on a
09:55:40 22 daily basis?

09:55:43 23 A. The -- the volume, I think -- we were
09:55:48 24 aiming toward tracking spreads, particularly in
09:55:52 25 xRapid corridors.

09:55:56 1 Q. Prior to -- in 2016, and 2017 --

09:56:00 2 MR. HORTON: Can you let him finish his
09:56:02 3 answers before you ask the next question?

09:56:03 4 Q. Sorry.

09:56:04 5 A. That's okay. I'm sure it's a great
09:56:06 6 question.

09:56:07 7 Q. You never know.

09:56:10 8 A. Yeah, I mean [REDACTED] joined -- I want to say
09:56:12 9 [REDACTED] joined in late '17 -- or early '18, actually.

09:56:15 10 We were already in the new office. So when [REDACTED]
09:56:18 11 joined, a lot of it was around market intelligence.
09:56:25 12 Primarily for xRapid.

09:56:31 13 Q. Prior to [REDACTED] joining, did the XRP markets
09:56:34 14 team monitor the XRP trading market?

09:56:42 15 MR. HORTON: Objection to form.

09:56:42 16 A. We tried.

09:56:45 17 Q. What do you mean "we tried"?

09:56:48 18 A. I don't think we were doing a very good
09:56:49 19 job. That's why we hired [REDACTED]

09:56:51 20 Q. But you monitored it?

09:56:53 21 A. As best we could.

09:56:55 22 Q. Did the XRP markets team provide daily
09:56:58 23 commentary to leadership regarding the XRP markets?

09:57:01 24 MR. HORTON: Objection to form.

09:57:02 25 A. I think for a while. Yeah. And mostly in

09:57:04 1 2017, if I remember correctly.

09:57:07 2 Q. Daily emails regarding changes in price and
09:57:11 3 volume?

09:57:12 4 A. I can't remember the cadence.

09:57:15 5 Q. Was it important for you in your job to
09:57:20 6 following the XRP trading market?

09:57:22 7 A. Yes.

09:57:22 8 Q. And did you follow it every day?

09:57:25 9 A. Yes.

09:57:26 10 Q. Did you follow it throughout the day?

09:57:29 11 A. Yes.

09:57:30 12 Q. And what were you looking for?

09:57:38 13 A. Looking at volume and price. Those were
09:57:40 14 the two inputs.

09:57:41 15 Q. And how would you use the information?

09:57:50 16 A. You know, on a day-to-day basis, it's
09:57:55 17 not -- it's not kind of strategic observations.
09:58:04 18 You're more looking for anomalies. Is anything odd
09:58:08 19 going on? Is there anything out the ordinary going
09:58:10 20 on?

09:58:11 21 Over time, you -- you try to -- I mean,
09:58:19 22 you're monitoring to see if the markets are getting
09:58:21 23 healthier, more liquid, more exchanges. You know,
09:58:27 24 certainly the -- you know, is XRP tracking the
09:58:32 25 market. That -- those are the -- the considerations,

09:58:39 1 things we were looking for.

09:58:43 2 Q. Were you responsible for Ripple sales of
09:58:46 3 XRP?

09:58:50 4 MS. COWAN: Objection.

09:58:51 5 A. So I was -- I wouldn't say I was
09:58:59 6 responsible for them. I was -- as part of the -- as
09:59:03 7 part of my responsibilities, I was in charge of
09:59:08 8 putting together the presentation, that we would
09:59:12 9 present every Friday, I think we spoke about last
09:59:15 10 time.

09:59:17 11 And making a recommendation, based on some
09:59:21 12 of the modeling that we were doing, as to how much we
09:59:25 13 should be selling.

09:59:28 14 Q. So you used the data that you collected to
09:59:30 15 make recommendations regarding Ripple's XRP sales?

09:59:35 16 MR. HORTON: Objection to form.

09:59:40 17 A. That data was an input, yeah.

09:59:46 18 Q. And did you use the data to adjust the
09:59:49 19 level of Ripple's XRP sales?

09:59:53 20 MR. HORTON: Objection to form.

09:59:57 21 A. Some -- some of the data, yeah.

10:00:36 22 Q. While you were at Ripple, Ripple sold XRP
10:00:39 23 to fund operations?

10:00:42 24 MR. HORTON: Objection to form.

10:00:45 25 A. Yes.

10:00:47 1 Q. Ripple sold XRP in order to create a
10:00:50 2 trading market for XRP?

10:00:53 3 MR. HORTON: Objection to form.

10:00:54 4 A. No.

10:00:56 5 Q. The sales of -- Ripple sales of XRP didn't
10:00:58 6 help facilitate a trading market for XRP?

10:01:02 7 MR. HORTON: Objection to form.

10:01:04 8 A. I have never thought of our sales in that
10:01:07 9 way, no.

10:01:10 10 Q. How did you think of the sales?

10:01:18 11 A. As a standalone activity.

10:01:24 12 Q. Other than using XRP sales to fund
10:01:27 13 operations, did Ripple's XRP sales serve any other
10:01:30 14 purpose?

10:01:36 15 A. Not that I know of, no.

10:01:39 16 Q. Ripple, either directly or indirectly, sold
10:01:41 17 XRP to retail and institutional investors?

10:01:45 18 MR. HORTON: Objection to form.

10:01:50 19 A. I assume so. I don't think we knew -- as I
10:01:54 20 said, it was indirect, so I'm not sure who was
10:01:58 21 buying.

10:01:58 22 Q. Ripple directly sold to institutional
10:02:00 23 investors?

10:02:01 24 A. Yes.

10:02:02 25 Q. And indirectly sold to retail investors on

10:02:05 1 platforms?

10:02:09 2 MR. HORTON: Objection to form.

10:02:09 3 A. I'm assuming there were retail investors on
10:02:12 4 the platform.

10:02:13 5 Q. Ripple sold the XRP at times at a discount
10:02:15 6 to market price?

10:02:18 7 MS. COWAN: Objection.

10:02:21 8 A. To the institutional -- when we sold
10:02:25 9 directly to the institutional folks.

10:02:28 10 Q. And these XRP purchasers were purchasing
10:02:31 11 XRP for investment purposes?

10:02:34 12 MR. HORTON: Objection to form.

10:02:39 13 Q. You can answer the question.

10:02:41 14 A. Thank you.

10:02:44 15 I -- you know, I -- investment speculation,
10:02:48 16 I -- it -- for me, it's -- yes.

10:02:53 17 Q. Did Ripple place any sales restrictions on
10:02:55 18 the XRP it sold?

10:02:57 19 MS. COWAN: Objection.

10:03:00 20 A. At times, yes.

10:03:01 21 Q. Okay. And these restrictions were put into
10:03:04 22 place in order to manage XRP in the market?

10:03:07 23 MR. HORTON: Objection to form.

10:03:08 24 A. I'm sorry, repeat that.

10:03:09 25 Q. These restrictions were put into place in

10:03:11 1 order to manage XRP supply in the market?

10:03:19 2 MR. HORTON: Sorry. Same objection.

10:03:22 3 A. I -- so the -- the -- the restrictions
10:03:26 4 predate me, so -- the impetus for them, I'm not sure.

10:03:34 5 Q. When you were at Ripple, did OTC sales
10:03:39 6 include sales restrictions, resale restrictions?

10:03:46 7 A. Lockup periods, sometimes, not always.

10:03:48 8 Q. So those lockups were put in place to
10:03:51 9 manage XRP's supply in the market?

10:03:54 10 MR. HORTON: Objection to form.

10:03:54 11 A. There was an interplay between the -- the
10:03:57 12 restrictions and the discounts. So I think if --
10:04:08 13 without discounts, there were -- there were no
10:04:09 14 restrictions.

10:04:13 15 Q. Were the restrictions meant to mitigate any
10:04:16 16 downward price pressure from sales of XRP?

10:04:20 17 MR. HORTON: Objection to form.

10:04:26 18 A. That's not way I thought of them. I think
10:04:29 19 the primary reason, I think, to have those
10:04:30 20 restrictions was to not immediately monetize the
10:04:34 21 discount. So that's the way --

10:04:39 22 Q. So not to immediately sell the XRP into the
10:04:42 23 market?

10:04:43 24 A. Right.

10:04:45 25 Q. Did the restrictions include a restriction

10:04:49 1 on the amount of XRP that could be sold on a daily
10:04:52 2 basis?

10:04:56 3 A. I don't remember.

10:05:10 4 Q. While you were at Ripple, did Ripple
10:05:11 5 generate any non-XRP sales revenue?

10:05:15 6 MR. HORTON: Objection to form.

10:05:20 7 A. I believe so.

10:05:22 8 Q. How did that revenue compare to revenue
10:05:25 9 from XRP sales revenues?

10:05:31 10 A. I think it was much smaller.

10:05:48 11 Q. Sales of XRP on -- Ripple sold XRP
10:05:53 12 programmatically on digital asset trading platforms?

10:05:59 13 A. Yes.

10:06:00 14 Q. They used third-party market makers to
10:06:02 15 execute those sales?

10:06:04 16 MS. COWAN: Objection.

10:06:05 17 A. Yes.

10:06:06 18 Q. Those were sales to retail investors?

10:06:09 19 MS. COWAN: Objection.

10:06:11 20 A. I said before, I -- we were selling on
10:06:13 21 exchanges through the market makers. I'm assuming
10:06:16 22 that they were retail investors or traders on as
10:06:18 23 well.

10:06:19 24 Q. And those were -- trading in XRP on those
10:06:22 25 platforms was primarily for speculation?

10:06:25 1 MR. HORTON: Objection to form.

10:06:26 2 A. I assume so.

10:06:29 3 Q. And who were the names of the market makers
10:06:31 4 that Ripple contracted with?

10:06:36 5 A. [REDACTED] GSR. And then -- they had
10:06:44 6 various names; I think the last name was

10:06:47 7 [REDACTED]

10:06:50 8 Q. Ripple also sold XRP over the counter to
10:06:54 9 hedge funds, market makers, and wealthy individuals?

10:06:58 10 MR. HORTON: Objection to form.

10:06:58 11 A. Yes.

10:06:59 12 Q. Ripple sold the XRP directly through its
10:07:01 13 XRP II entity?

10:07:03 14 A. Yes.

10:07:07 15 Q. Some of those OTC customers who purchased
10:07:09 16 XRP directly from Ripple were purchasing on behalf of
10:07:13 17 their own customers who wanted exposure for XRP?

10:07:17 18 MR. HORTON: Objection to form.

10:07:20 19 A. So the -- the over-the-counter brokers were
10:07:24 20 facilitating purchases for their clients.

10:07:27 21 Q. So they were acting as dealers?

10:07:30 22 MR. HORTON: Objection to form.

10:07:35 23 MS. WAXMAN: Strike that.

10:07:36 24 Q. Customers who purchased XRP directly from
10:07:38 25 Ripple were purchasing for speculation?

10:07:40 1 MR. HORTON: Objection to form.

10:07:46 2 A. I assume so.

10:07:47 3 Q. For investment purposes?

10:07:49 4 MR. HORTON: Objection to form. Calls for
10:07:50 5 speculation.

10:07:51 6 A. I don't know.

10:07:51 7 Q. Did you -- did OTC customers purchase at a
10:07:56 8 discount?

10:08:00 9 A. Some.

10:08:04 10 Q. Did any OTC customers plan to use the XRP
10:08:11 11 in any -- in connection with any Ripple product?

10:08:14 12 MR. HORTON: Objection to form.

10:08:17 13 A. Not that I know of.

10:08:19 14 Q. Did you ever place restrictions on the --
10:08:24 15 on how these customers could use the XRP?

10:08:29 16 MS. COWAN: Objection.

10:08:32 17 A. Outside of the sales restrictions, no.

10:08:43 18 Q. OTC purchasers were purchasing either
10:08:45 19 through a master purchase agreement, a commit-to-sell
10:08:47 20 agreement, or a loan-to-purchase agreement?

10:08:50 21 MR. HORTON: Objection to form.

10:08:52 22 A. Those all sound familiar.

10:08:59 23 Q. Is there a difference between the
10:09:00 24 commit-to-sell agreement and the loan-to-purchase
10:09:02 25 agreement?

10:09:03 1 A. I can't remember the exact difference.

10:09:28 2 Q. Why did Ripple sell XRP over the counter?

10:09:47 3 A. So we discussed the -- the sales to the
10:09:49 4 brokers. In particular, I thought that was very
10:09:52 5 important in order to develop the over-the-counter
10:09:57 6 market. When I began at Ripple, there was no
10:10:00 7 over-the-counter market for XRP. So facilitating
10:10:06 8 that -- that activity was helpful. There was no
10:10:09 9 exchanges.

10:10:12 10 So when folks wanted to -- and at the time
10:10:14 11 I mentioned it was 6/10 of a penny, so not many
10:10:17 12 people wanted to sell it down there. So when -- when
10:10:19 13 brokers -- in order for brokers to be able to offer
10:10:23 14 liquidity in XRP at all, they had to have somewhere
10:10:26 15 to buy it themselves. And they didn't have it, so
10:10:28 16 those over-the-counter sales took brokers who were
10:10:33 17 really important, I think, in developing that
10:10:35 18 over-the-counter market.

10:10:36 19 I think the other sales were in a similar
10:10:43 20 vein. There was no over-the-counter market, and --
10:10:50 21 you know, Ripple was providing that until that
10:10:55 22 over-the-counter market developed.

10:10:58 23 Q. Did over-the-counter sales increase the
10:11:01 24 potential pool of XRP buyers?

10:11:18 25 A. I think so.

10:11:18 1 Q. Did it allow for wider distribution of
10:11:20 2 Ripple's XRP?

10:11:22 3 MS. COWAN: Objection.

10:11:27 4 A. That's interesting. I don't -- because OTC
10:11:29 5 purchases tend to be bigger. I -- I think, you know,
10:11:33 6 if -- literally, yes, because, you know, we're --
10:11:36 7 before Ripple was the only one holding, you know, I
10:11:39 8 would say one XRP. And now you move that over to
10:11:43 9 somebody else and now there's two entities that hold
10:11:45 10 it so there's more distribution. But at the same
10:11:47 11 time, it's probably the most concentrated way to
10:11:50 12 distribute XRP, through over the counter.

10:11:53 13 Q. Even though it was the most concentrated,
10:11:54 14 it did allow for wider distribution. Right?

10:11:58 15 MR. HORTON: Objection to form.

10:11:59 16 A. It got in more hands.

10:12:02 17 Q. Did the -- did a robust OTC market reflect
10:12:06 18 traders confidence in XRP?

10:12:08 19 MR. HORTON: Objection to form.

10:12:09 20 A. No.

10:12:11 21 Q. Why not?

10:12:14 22 MR. HORTON: Same objection.

10:12:17 23 A. I mean, I just don't think of a robust OTC
10:12:21 24 market as having anything to do with someone's
10:12:24 25 confidence in whatever is being traded in that

10:12:25 1 over-the-counter market.

10:12:26 2 Q. Did a robust OTC market have any impact on
10:12:30 3 speculative XRP trading?

10:12:31 4 MR. HORTON: Objection to form.

10:12:35 5 A. So kind of a -- a broad idea, with respect
10:12:39 6 to the OTC initiative, was that eventually, as the
10:12:45 7 market becomes more liquid we can slowly remove --
10:12:50 8 Ripple can remove itself from this kind of
10:12:54 9 over-the-counter facilitation, which a software
10:12:57 10 company, I thought, should not be in the middle of.

10:13:01 11 So that, you know, over time, you have the
10:13:05 12 exchanges, and then you have the over-the-counter
10:13:07 13 market. And those two will interplay. So folks
10:13:11 14 will -- the over-the-counter brokers will off lay
10:13:18 15 risk onto the exchanges. So I think -- the
10:13:25 16 over-the-counter markets are a really important part
10:13:27 17 of a healthy liquidity pool.

10:13:31 18 Q. Did over-the-counter sales from Ripple
10:13:34 19 increase XRP liquidity?

10:13:40 20 A. I think, eventually, it was helpful.

10:13:44 21 Q. And did it increase speculative trading in
10:13:47 22 XRP?

10:13:48 23 MR. HORTON: Objection to form.

10:13:50 24 A. I think so.

10:13:51 25 Q. You said that Ripple's primary business was

10:14:00 1 selling XRP, not software sales.

10:14:04 2 MS. COWAN: Objection.

10:14:05 3 MR. HORTON: Objection.

10:14:06 4 A. I didn't say that.

10:14:09 5 I didn't say that. I said that the
10:14:11 6 sales -- the non-XRP sales were smaller than the XRP
10:14:14 7 sales.

10:14:15 8 Q. What was the --

10:14:16 9 A. By the way, selling an asset is not a
10:14:21 10 business.

10:14:23 11 They don't give you much of a multiple when
10:14:25 12 you go IPO, on selling a diminishing asset. That's
10:14:30 13 not a business.

10:14:31 14 Q. What was Ripple's business?

10:14:34 15 A. Enterprise software sales, and that was the
10:14:36 16 goal.

10:14:37 17 Q. Did it make any money from selling software
10:14:39 18 sales?

10:14:40 19 MR. HORTON: Objection to form.

10:14:41 20 A. As I said before, I think it made some.

10:14:43 21 Q. How much?

10:14:44 22 A. I don't know.

10:14:46 23 Q. What was the difference between the amount
10:14:48 24 of money it made selling software and the amount of
10:14:51 25 money it made selling XRP?

10:14:55 1 MR. HORTON: Objection to form.

10:14:55 2 Q. Ten to one?

10:14:57 3 MR. HORTON: Objection.

10:14:59 4 A. Maybe more. I don't know. Twenty to one?

10:15:02 5 I don't know.

10:15:08 6 Q. What do you mean "selling a diminishing
10:15:11 7 asset is not a business"? What does that mean?

10:15:24 8 A. I think it's pretty clear. We all know
10:15:26 9 what a business is, right.

10:15:28 10 Q. And which asset are you talking about?

10:15:32 11 A. XRP.

10:15:32 12 Q. And why was it diminishing?

10:15:36 13 A. There's a limited amount.

10:15:41 14 You can't make more of it.

10:15:51 15 Q. Did Ripple publicly state that it would
10:15:55 16 engage in efforts to increase the demand for XRP?

10:16:01 17 MR. HORTON: Objection to form.

10:16:02 18 A. I don't think so. I don't know.

10:16:07 19 Q. Did Ripple publicly state that it would
10:16:10 20 work to develop a use case for XRP?

10:16:14 21 MR. HORTON: Objection to form.

10:16:15 22 A. Yes.

10:16:16 23 Q. Did Ripple publicly state that it would
10:16:20 24 seek to get XRP adopted by banks for cross-border
10:16:26 25 payments?

10:16:27 1 MR. HORTON: Objection to form.

10:16:30 2 A. I think so.

10:16:34 3 Q. And during what time period did Ripple
10:16:37 4 publicly state that?

10:16:39 5 MR. HORTON: Objection to form.

10:16:45 6 A. I don't remember exactly.

10:16:52 7 Q. When you joined Ripple in November --

10:16:54 8 MR. HORTON: Sorry. Would this be a good
10:16:55 9 place for a break? We've been going for about an
10:16:58 10 hour and 15.

10:16:59 11 MS. WAXMAN: Just a couple more minutes. I
10:17:00 12 just want to finish this line of questioning.

10:17:03 13 Q. Going back to the OTC sales, did OTC sales
10:17:06 14 have an impact on XRP price?

10:17:10 15 MS. COWAN: Objection.

10:17:16 16 A. I don't know.

10:17:20 17 Q. Did you track OTC sales?

10:17:26 18 A. Yes.

10:17:27 19 Q. And why did you track OTC sales?

10:17:38 20 A. I don't remember there being an explicit
10:17:39 21 reason. I felt like it was something that was just
10:17:42 22 expected of us, the markets team.

10:17:53 23 MS. WAXMAN: Let's go off the record.

10:17:56 24 THE VIDEOGRAPHER: Going off the record at
10:17:56 25 10:17 a.m. Eastern.

10:18:00 1 (A recess was taken from 10:17 to 10:37.)

10:37:10 2 THE VIDEOGRAPHER: We are back on the
10:37:10 3 record at 10:37 a.m. Eastern.

10:37:19 4 Q. Mr. Vias, during your tenure at Ripple, did
10:37:24 5 you have regular contact with Chris Larsen?

10:37:30 6 MS. COWAN: Objection.

10:37:30 7 A. Infrequent.

10:37:33 8 Q. When did you have contact with him?

10:37:38 9 A. Early on. It was more frequent. Probably
10:37:43 10 about once a month, maybe.

10:37:47 11 Q. And for what reason would you meet with
10:37:48 12 him?

10:37:54 13 A. I'm sorry, was the question contact or
10:37:56 14 meeting?

10:37:58 15 Q. Either.

10:37:59 16 A. And I asked because I would run into him in
10:38:02 17 the hall. Or if I was in San Francisco, he was
10:38:05 18 around more in the beginning of my tenure there. So
10:38:07 19 there was contact that was less formal, if you will.

10:38:10 20 And then, meetings, you know, I didn't
10:38:16 21 really have one-on-one meetings with Chris.

10:38:19 22 Q. Did he regularly attend certain meetings
10:38:22 23 that you were present at?

10:38:24 24 A. Yes.

10:38:25 25 Q. And what meetings?

10:38:27 1 Which meetings?

10:38:29 2 A. The -- the Friday XRP sales meeting.

10:38:33 3 Q. And any other meetings that he regularly
10:38:36 4 attended that you were present at?

10:38:38 5 A. Not that I remember.

10:38:41 6 Q. And did you keep Mr. Larsen apprised of
10:38:46 7 what the XRP markets team was doing?

10:38:53 8 A. No.

10:38:55 9 Q. Outside of those weekly sales meetings, did
10:38:58 10 you keep him apprised of what the markets team was
10:39:02 11 doing?

10:39:05 12 A. Not really, no.

10:39:07 13 Q. Did you need him to either approve or
10:39:09 14 endorse anything that the XRP team markets team did?

10:39:13 15 MR. HORTON: Objection to form.

10:39:14 16 A. No.

10:39:16 17 Q. And soon after you started at Ripple, did
10:39:19 18 Mr. Larsen step down as CEO?

10:39:23 19 A. Before I joined.

10:39:26 20 Q. Before you joined. So during your tenure,
10:39:27 21 what was his role with the company?

10:39:30 22 A. Executive chairman.

10:39:32 23 Q. And Brad Garlinghouse was CEO when you
10:39:39 24 joined?

10:39:40 25 A. Yes.

10:39:40 1 Q. And did you have regular contact with him?

10:39:43 2 A. Yes.

10:39:44 3 Q. And when I say "contact," I'm talking about
10:39:48 4 for work-related purposes, not, you know, passing him
10:39:53 5 in the hallway.

10:39:55 6 When did you have contact with him?

10:40:04 7 A. Couple times a week, on email.

10:40:09 8 Q. Did you need to keep him apprised of what
10:40:12 9 the XRP markets team was doing?

10:40:19 10 MR. BAMBERGER: Objection.

10:40:21 11 A. No.

10:40:21 12 Q. Why would you email him?

10:40:23 13 A. Oh, he might be on an email string, or he
10:40:27 14 might email us, you know, the markets team or the BD
10:40:32 15 team. It wasn't always just Brad and me on an email.

10:40:42 16 Q. Did he regularly attend meetings that you
10:40:44 17 were present at?

10:40:45 18 A. The Friday meeting.

10:40:47 19 Q. Any other meetings?

10:40:50 20 A. No.

10:40:52 21 Q. And when you say "the Friday meeting," are
10:40:53 22 you talking about the weekly XRP sales and markets
10:40:57 23 meetings?

10:40:57 24 A. Yes.

10:41:01 25 Q. Other than Brad and Chris, were others

10:41:04 1 present at that meeting?

10:41:07 2 A. Yes.

10:41:08 3 Q. Who else?

10:41:10 4 A. It changed over time. Patrick attended
10:41:16 5 those while he was at the company and part of the BD
10:41:20 6 team.

10:41:22 7 Ron, [REDACTED]
10:41:29 8 [REDACTED] at times.

10:41:36 9 I think [REDACTED] and [REDACTED] a few times, but
10:41:39 10 that wasn't as regular.

10:41:44 11 Q. Mr. Larsen attended those meetings while he
10:41:46 12 was chairman of the board?

10:41:48 13 A. Yes.

10:41:53 14 MS. PROSTKO: Objection.

10:41:54 15 Q. What was his role in those meetings?

10:41:55 16 A. He was mostly a listener. He didn't --
10:41:59 17 wasn't a ton of participation by Chris in those
10:42:01 18 meetings.

10:42:02 19 Q. When he participated, what was his
10:42:04 20 participation?

10:42:09 21 A. He might ask a question or two, but I don't
10:42:14 22 exactly remember.

10:42:15 23 Q. During those meetings, did you make
10:42:19 24 recommendations as to Ripple's XRP sales targets?

10:42:24 25 A. Yes.

10:42:25 1 Q. Did Mr. Larsen make any decisions about
10:42:28 2 Ripple's sales targets?

10:42:33 3 MS. PROSTKO: Objection.

10:42:40 4 A. Not explicitly. No.

10:42:44 5 Q. Could you explain what you mean?

10:42:47 6 A. So, in that room, it always felt like Brad
10:42:51 7 was really the kind of the final decision-maker if we
10:42:55 8 were going to make a change. We proposed something,
10:42:58 9 some discussion, and then a decision was made. The
10:43:01 10 decision was made by the team, but you really
10:43:05 11 couldn't get that without Brad okaying it.

10:43:10 12 I just don't remember Chris being a real
10:43:14 13 active part of that decision-making process. But
10:43:16 14 Chris was Brad's boss. So -- certainly -- it -- it
10:43:30 15 feels like if Chris had had a problem with one of the
10:43:32 16 recommendations, and Brad said yes, but Chris didn't
10:43:35 17 want that, I'm guessing Brad would have had to have
10:43:40 18 gotten the approval from Chris. I don't know.

10:43:42 19 Q. Would Brad act -- do something that Chris
10:43:46 20 didn't endorse?

10:43:48 21 MR. HORTON: Objection to form.

10:43:50 22 MS. PROSTKO: Objection.

10:43:51 23 A. I don't know.

10:43:51 24 Q. So Brad was the final decision-maker
10:43:53 25 regarding Ripple's XRP sales targets?

10:43:56 1 MR. HORTON: Objection to form.

10:43:57 2 A. I don't know.

10:44:00 3 Q. You just said that Brad made the final
10:44:02 4 decisions at the weekly meetings.

10:44:05 5 MS. COWAN: Objection.

10:44:06 6 MR. HORTON: Objection. I don't think
10:44:07 7 that's his testimony.

10:44:09 8 A. I also said that if Chris had really felt
10:44:13 9 strongly about it one way or the other, I don't think
10:44:16 10 Brad would have just plowed ahead, because his boss
10:44:19 11 was on the phone.

10:44:20 12 Q. Got it.

10:44:51 13 What were Ripple's sales targets based on?

10:44:55 14 MS. COWAN: Objection.

10:45:04 15 A. Sorry, could -- are we -- are you talking
10:45:08 16 about the percentage? Which target?

10:45:13 17 Q. Ripple sold XRP into the market. How did
10:45:15 18 it determine how much it would sell?

10:45:20 19 A. So we would look at overall volume, and
10:45:23 20 then settle on a percentage of daily volume to sell
10:45:27 21 on the exchanges.

10:45:29 22 Q. That percentage, was -- that was based on
10:45:33 23 the company's operational needs?

10:45:35 24 MR. HORTON: Objection to form.

10:45:38 25 A. That's not -- not -- the market's team, no.

10:45:43 1 Not from my perspective, from our perspective.

10:45:46 2 Q. What was it based on?

10:45:48 3 A. So the overarching goal with that
10:45:51 4 percentage was to have a very light touch in the
10:45:54 5 market and not impact the market at all.

10:45:59 6 Q. So Ripple tried to extract as much as it
10:46:02 7 could from market from its XRP sales?

10:46:05 8 MR. HORTON: Objection to form.

10:46:07 9 A. No, we -- the percentage that we set,
10:46:12 10 was -- meant to be able to sell XRP without impacting
10:46:16 11 the price at all.

10:46:17 12 Q. If the sales would have had an impact on
10:46:19 13 the price, would you have stopped selling it?

10:46:23 14 MR. HORTON: Objection to form.

10:46:27 15 A. The markets team would have never
10:46:30 16 recommended to sell a percentage that we thought
10:46:34 17 would have an impact.

10:46:36 18 Q. So did the markets team pause XRP sales if
10:46:41 19 those sales were having a -- a negative impact on XRP
10:46:45 20 price?

10:46:46 21 MR. HORTON: Objection to form.

10:46:47 22 A. If we thought we were having an impact, we
10:46:49 23 would have recommended either pausing or lowering the
10:46:52 24 amount.

10:46:53 25 Q. Did you do that?

10:46:55 1 A. We did.

10:46:59 2 Q. Did you ever increase Ripple's sales of XRP
10:47:01 3 into the market?

10:47:04 4 MS. COWAN: Objection.

10:47:05 5 A. You mean increase the percentage?

10:47:07 6 Q. Yes.

10:47:12 7 A. I think so. I don't remember specifically.

10:47:15 8 Q. And when would you increase the percentage?

10:47:19 9 MS. COWAN: Objection.

10:47:22 10 A. I don't remember.

10:47:26 11 Q. Did -- did Ripple sell more XRP when the
10:47:29 12 price rallied?

10:47:31 13 MR. HORTON: Objection to form.

10:47:36 14 A. So if we kept the percentage the same and
10:47:42 15 the volume picked up, we would end up selling more
10:47:45 16 XRP. But that didn't have anything specifically to
10:47:50 17 do with the price. So if the price went from
10:47:54 18 50 cents to a dollar and the volume was the same,
10:47:56 19 then we wouldn't have ended up selling any more.

10:48:00 20 Q. Understood. But when did you increase the
10:48:03 21 percentages?

10:48:05 22 MS. COWAN: Objection.

10:48:06 23 MR. HORTON: Objection.

10:48:11 24 A. I don't remember exactly, the why. I'm ...
10:48:24 25 Yeah.

10:48:33 1 Q. Could Ripple sell more XRP into the rally
10:48:36 2 without impacting the price?

10:48:38 3 MR. HORTON: Objection to form.

10:48:41 4 A. I don't know.

10:48:45 5 You asked me could we have increased the
10:48:47 6 percentage? And not had an impact? I don't know.

10:48:50 7 Q. Yes. If there was a rally in XRP, isn't it
10:48:53 8 more likely that -- if -- strike that.

10:48:58 9 Did Ripple sell more XRP in XRP price
10:49:01 10 rallies?

10:49:03 11 MR. HORTON: Objection. Form. Asked and
10:49:04 12 answered.

10:49:08 13 A. In situations where a rally correlated with
10:49:11 14 an increase in volume, and we kept the percentage the
10:49:14 15 same, yes, we -- we would have sold more XRP.

10:49:35 16 Actually, I don't know if we would have
10:49:36 17 sold more XRP. Just thinking about it a little bit.
10:49:44 18 The price increases, every XRP is worth more. So
10:49:48 19 unless there's a decrease in the amount of XRP
10:49:51 20 trading hands, your notional amount is going to
10:49:55 21 increase.

10:49:59 22 And we sold basis that notional amount, so
10:50:02 23 let's say there was \$1,000 traded, we would try to
10:50:05 24 sell \$25. But at a higher price that 25 -- that \$25
10:50:11 25 may be comprised of much less XRP. So there's a

10:50:17 1 chance that in certain situations, as the price
10:50:20 2 rallied, we sold less XRP but for more money.

10:50:30 3 Q. Did Ripple also sell more XRP for more
10:50:35 4 money, in these rallies?

10:50:37 5 MR. HORTON: Objection to form.

10:50:37 6 A. I don't know.

10:50:45 7 Q. Were there certain revenue targets that
10:50:48 8 Ripple was trying to meet?

10:50:51 9 MS. COWAN: Objection.

10:50:58 10 A. I think at times, there may have, but it --
10:51:05 11 that wasn't a -- it wasn't an input into the markets
10:51:09 12 team's suggestion or recommendation.

10:51:15 13 Q. Why not?

10:51:16 14 A. It just wasn't. Wasn't part of our OKRs.
10:51:22 15 It didn't filter down to us.

10:51:25 16 Q. Who were the revenue partners for, then?

10:51:29 17 MR. HORTON: Objection to form.

10:51:31 18 A. I don't -- that's good question. I don't
10:51:33 19 know.

10:51:45 20 Q. Did Ripple ever base its sales targets on
10:51:52 21 XRP price parameters?

10:51:54 22 MR. HORTON: Objection to form.

10:51:56 23 A. No.

10:52:05 24 Q. You said that you would adjust Ripple's XRP
10:52:07 25 sales up and down depending on market conditions.

10:52:10 1 Right?

10:52:11 2 A. Depending on volume, yes.

10:52:16 3 Q. Did it also depend on price?

10:52:20 4 A. Not explicitly.

10:52:22 5 Q. But you would adjust Ripple sales if the
10:52:25 6 sales were impacting XRP price.

10:52:28 7 MR. HORTON: Objection.

10:52:30 8 A. If we thought that we were selling too much
10:52:32 9 and having an impact on the price, we would have made
10:52:35 10 a recommendation to lower it.

10:52:36 11 Q. If you felt that you could extract more
10:52:41 12 proceeds from XRP sales, did you increase sales?

10:52:45 13 MR. HORTON: Objection to form.

10:52:47 14 A. No.

10:52:52 15 Q. Why not?

10:52:54 16 MR. HORTON: Objection.

10:52:56 17 A. The one goal with that percentage was to
10:52:58 18 not impact the price. So from my team, the amount of
10:53:09 19 money being extracted was not as important to my
10:53:12 20 team.

10:53:12 21 Q. And when you say "not impact the price,"
10:53:14 22 you mean not have a negative impact on the price.

10:53:17 23 A. Correct. Correct.

10:53:18 24 Q. So the goal was -- the goal was also to
10:53:22 25 maintain XRP's price?

10:53:25 1 MR. HORTON: Objection to form.

10:53:35 2 A. It was just to not have an impact, for our
10:53:38 3 team not to have an impact on the price, whatever the
10:53:40 4 price was.

10:53:45 5 Q. How were OTC sales, the amount of OTC
10:53:48 6 sales, determined?

10:53:52 7 MR. HORTON: Objection to form.

10:53:56 8 A. I don't remember there being kind of a
10:54:01 9 process for determining the amounts.

10:54:08 10 Q. Did Ripple ever cap OTC sales during any
10:54:12 11 period?

10:54:15 12 A. If I remember correctly, I think we had
10:54:17 13 monthly caps at one point.

10:54:19 14 Q. For what purpose?

10:54:33 15 A. I don't -- I don't remember the questions
10:54:36 16 why we had the caps.

10:54:38 17 Q. Did Mr. Garlinghouse suggest that Ripple
10:54:40 18 cap OTC sales?

10:54:49 19 A. I think at one at a time point, Brad and I
10:54:51 20 had a discussion around OTC sales and he may have --
10:54:57 21 I think I recommended it. I think he recommended it,
10:55:01 22 I don't know.

10:55:02 23 Q. Someone recommended capping OTC sales?

10:55:05 24 A. Uh-huh.

10:55:08 25 Q. What -- for what purpose?

10:55:11 1 A. Well, we kind of -- I don't know. I
10:55:16 2 discussed this idea of having Ripple be the OTC
10:55:19 3 provider of XRP, and that's a less than ideal
10:55:26 4 situation from a market development perspective. You
10:55:30 5 don't really want one -- that's not an OTC market if
10:55:35 6 you have one active -- basically the only -- the only
10:55:36 7 place for anybody to get liquidity in something.

10:55:40 8 So the -- I think -- if I remember
10:55:42 9 correctly, the capping the OTC was in that vein,
10:55:44 10 right, the idea that we don't want to be the only one
10:55:47 11 providing this liquidity. And we much rather either
10:55:51 12 funnel that interest to the over-the-counter brokers,
10:55:55 13 as we're trying to develop that, or onto the
10:55:57 14 exchanges, because we're also trying to develop that
10:56:00 15 liquidity. And any added activity in either one of
10:56:02 16 those would be beneficial.

10:56:05 17 Q. So either you or Brad wanted to cap OTC
10:56:08 18 sales in order to increase XRP sales on platforms?

10:56:13 19 MR. HORTON: Objection to form.

10:56:17 20 A. No, I think the -- the impetus there is
10:56:21 21 really more around us not being the only provider of
10:56:23 22 XRP in the market.

10:56:26 23 Q. But weren't you selling to OTC brokers who
10:56:30 24 were selling into the market?

10:56:34 25 MR. HORTON: Objection to form.

10:56:35 1 A. The -- yes.

10:56:38 2 Q. So who else would be selling XRP other than
10:56:44 3 Ripple?

10:56:45 4 MR. HORTON: Objection to form.

10:56:46 5 A. Anybody who owned XRP.

10:56:50 6 Q. Did you cap OTC sales in order to grow the
10:56:55 7 secondary market for XRP?

10:56:57 8 MR. HORTON: Objection to form.

10:56:58 9 A. I think one of the inputs was -- in order
10:57:01 10 to -- so that we wouldn't hurt the development of
10:57:04 11 those other marketplaces, at least that's the way I
10:57:07 12 looked at it.

10:57:08 13 Q. Would the cap facilitate secondary market
10:57:12 14 trading of XRP?

10:57:14 15 MR. HORTON: Objection to form.

10:57:22 16 A. I don't know.

10:57:23 17 Q. Did Mr. Garlinghouse suggest that Ripple
10:57:25 18 cap OTC sales in order to have a positive impact on
10:57:28 19 XRP price market?

10:57:35 20 MR. BAMBERGER: Objection.

10:57:42 21 A. I don't remember.

10:57:43 22 Q. So OTC sales, Ripple's OTC sales, were
10:57:49 23 soaking up the XRP demand?

10:57:52 24 MR. HORTON: Objection to form.

10:57:55 25 Q. You can answer.

10:58:07 1 A. I think -- if Ripple is the only -- is the
10:58:10 2 only provider of XRP in the market, and it only comes
10:58:14 3 to one place, then that demand is being -- we're the
10:58:18 4 ones kind of sucking up that demand; it's not
10:58:23 5 proliferating in the marketplace broadly.

10:59:05 6 Q. Did Ripple ever direct market makers to buy
10:59:10 7 XRP in the secondary market?

10:59:15 8 MS. COWAN: Objection.

10:59:18 9 A. I think maybe before I was there.

10:59:22 10 Q. During -- while you were with -- with
10:59:25 11 Ripple, did it ever direct market makers to buy XRP?

10:59:29 12 MR. HORTON: Objection.

10:59:30 13 A. Not that I remember.

10:59:32 14 Q. How did you learn that Ripple's market
10:59:36 15 makers were buying XRP?

10:59:39 16 MR. HORTON: Objection.

10:59:40 17 A. How did I learn that that had happened
10:59:41 18 before I joined?

10:59:43 19 Q. Yes.

10:59:44 20 MR. HORTON: Objection. Lack of
10:59:45 21 foundation.

10:59:48 22 A. I read it in the SEC complaint.

10:59:52 23 Q. Did you have any prior knowledge?

10:59:54 24 A. No.

11:00:06 25 MS. WAXMAN: Exhibit 2.

11:00:09 1 (Email re: XRP Sales Program, Bates
11:00:09 2 0763300, was marked MV Exhibit 2 for
11:00:09 3 identification, as of this date.)

11:00:23 4 MS. FORBES: Did you say Exhibit 2?

11:00:25 5 MS. WAXMAN: Yes.

11:00:29 6 Q. Mr. Vias, I've showed you what's been
11:00:31 7 marked as Exhibit MV 2, which has a Bates 0763300.

11:00:42 8 Let me know when you're done reading it,
11:00:44 9 please.

11:00:45 10 (Witness reviewing document.)

11:01:02 11 A. Okay.

11:01:12 12 Q. The -- I want to focus on the very bottom
11:01:17 13 email from you, dated December 16, 2016. You say,
11:01:23 14 Beginning in January, I want to move to a more
11:01:29 15 programmatic sales strategy.

11:01:32 16 What was being done previously?

11:01:38 17 A. I'm not 100 percent sure exactly the way it
11:01:41 18 worked before. So this is about two weeks after I've
11:01:44 19 joined. And this is -- me still trying -- just
11:01:48 20 trying to get a feel for how the place works or it
11:01:51 21 doesn't.

11:01:53 22 And if I remember correctly, I do remember
11:01:56 23 feeling that there was very little structure around
11:02:00 24 how we were doing this. And, you know, I think
11:02:05 25 there -- at one point been a conversation around

11:02:08 1 buying and it felt ad hoc.

11:02:11 2 And I said, Look, I think sales, purchases,
11:02:14 3 whatever it is the company wants to do, we need a --
11:02:17 4 a more programmatic way of doing it.

11:02:21 5 Q. When did you have the conversation about
11:02:23 6 purchases?

11:02:25 7 A. I don't remember.

11:02:26 8 MR. HORTON: Objection to form.

11:02:26 9 Q. With whom?

11:02:30 10 A. I don't remember.

11:02:38 11 Q. Did Brad ask you to prepare a document
11:02:40 12 about Ripple's purchases of XRP in the market?

11:02:44 13 A. Not that I remember, no.

11:02:49 14 Q. Did you ever discuss purchasing XRP, with
11:02:53 15 Brad?

11:02:56 16 A. No.

11:03:02 17 Q. Did you ever recommend that the XRP markets
11:03:05 18 team purchase XRP in the market?

11:03:08 19 A. No.

11:03:09 20 Q. Why not?

11:03:11 21 MR. HORTON: Objection.

11:03:23 22 A. The company is long a lot of XRP.

11:03:29 23 And it -- it never felt natural for me, in
11:03:36 24 my opinion, given that length, given the amount of
11:03:41 25 XRP that the company holds to be buying it. I felt

11:03:45 1 like we had enough of it. And really be focused more
11:03:50 2 on things to do with it. So, yeah, buying just never
11:03:56 3 made a lot of sense.

11:03:58 4 Q. Did others at the company ever recommend
11:04:04 5 purchasing XRP in the market?

11:04:09 6 MR. HORTON: Objection to form.

11:04:09 7 A. Not that I can remember.

11:04:11 8 Q. Did -- were the --

11:04:25 9 MS. WAXMAN: Exhibit 48.

11:04:26 10 (Email re: OTC vs. Market, Bates 0763250,
11:04:26 11 was marked MV Exhibit 48 for identification, as
11:04:26 12 of this date.)

11:04:49 13 Q. Mr. Vias, I've showed you what's been
11:04:52 14 marked as Exhibit MV 48, which is an email with the
11:04:55 15 Bates 0763250.

11:05:44 16 (Witness reviewing document.)

11:06:46 17 A. Okay.

11:06:47 18 Q. If you turn to the other side, the second
11:06:50 19 page.

11:06:54 20 There's an email from Brad that you
11:06:58 21 responded to.

11:07:02 22 In the sentence that starts with "but,"
11:07:05 23 Brad writes, But as I watch as continue to go through
11:07:10 24 the roof, I'm wondering if we are doing the XRP
11:07:13 25 market a disservice by absorbing a lot of demand that

11:07:19 1 might otherwise drive activity to exchanges.

11:07:22 2 Is Brad talking about the impact of OTC
11:07:25 3 sales on XRP demand and XRP price?

11:07:29 4 MR. HORTON: Objection to form.

11:07:39 5 A. I believe so.

11:07:40 6 Q. So Brad was recommending that Ripple
11:07:42 7 purchase XRP to support the price?

11:07:44 8 MR. HORTON: Objection to form.

11:07:46 9 A. Brad is recommending that we split up OTC
11:07:51 10 purchases and -- sell some directly, and then buy
11:07:57 11 some for customers.

11:07:59 12 Q. To support the price of XRP?

11:08:01 13 MR. HORTON: Objection to form.

11:08:03 14 A. He doesn't say that explicitly, no.

11:08:06 15 Q. Is that your understanding of the purpose?

11:08:14 16 A. I think he's trying to make some connection
11:08:16 17 to what's happening in the -- and there being some
11:08:20 18 over-the-counter dynamics that -- he thinks are
11:08:23 19 missing in XRP markets somehow. I don't know.

11:08:29 20 Q. Did Brad have any experience working in the
11:08:32 21 financial markets?

11:08:33 22 MR. HORTON: Objection to form.

11:08:35 23 A. I don't know.

11:08:36 24 Q. Did he have any understanding how trading
11:08:38 25 markets worked?

11:08:39 1 MR. HORTON: Objection to form.

11:08:40 2 MR. BAMBERGER: Objection.

11:08:43 3 A. I think so. He had some.

11:08:48 4 Q. Was he commenting about ETH's price rising?

11:08:55 5 MR. HORTON: Objection to form.

11:08:56 6 A. He mentions ETH going through the roof.

11:09:01 7 Q. And did he want Ripple's price to increase
11:09:10 8 as well?

11:09:11 9 MR. HORTON: Objection to form.

11:09:14 10 Q. Sorry. Did he want XRP's price to increase
11:09:15 11 as well?

11:09:16 12 MR. HORTON: Same objection.

11:09:24 13 A. In the context of this document?

11:09:25 14 Q. Yes.

11:09:28 15 A. He seems to be making some sort of a loose
11:09:31 16 connection between ETH going up and XRP not going up.

11:09:34 17 Q. Did he suggest purchasing XRP in order for
11:09:37 18 XRP's price to increase?

11:09:40 19 MR. HORTON: Objection to form.

11:09:45 20 A. I think he's -- he's -- he is saying that
11:09:52 21 whatever we're doing is distorting the natural market
11:09:55 22 dynamics in the market, and he thinks this will make
11:09:58 23 it more normal.

11:10:01 24 Q. What did you understand him to mean when he
11:10:04 25 said "distorting normal market dynamics"?

11:10:07 1 A. Again, we kind of touched on this briefly
11:10:10 2 before. This idea that if we're the only one
11:10:13 3 supplying all of the XRP in the market, that's not --
11:10:16 4 that's not really a market.

11:10:25 5 Q. And that would also eat up demand for XRP
11:10:29 6 that would otherwise occur on platforms, correct?

11:10:33 7 MR. HORTON: Objection to form.

11:10:34 8 A. I mean, at an extreme. If it's only one
11:10:37 9 seller and they sell everything, then no demand hits
11:10:41 10 any open markets.

11:10:46 11 Q. Did you agree with Brad's recommendation to
11:10:49 12 purchase XRP?

11:10:53 13 MR. HORTON: Objection to form.

11:10:56 14 A. I suggested a -- an alternative.

11:11:01 15 Q. And why didn't you want to go with Brad's
11:11:08 16 recommendation?

11:11:09 17 MR. HORTON: Objection to form.

11:11:11 18 A. I -- I list some of the reasons here.

11:11:14 19 Q. And what reasons?

11:11:17 20 A. At the moment, I don't think we were
11:11:19 21 licensed for that activity. So that was one.

11:11:24 22 You know, the other -- honestly we -- we're
11:11:27 23 not set up for that. The company doesn't have
11:11:30 24 exchange accounts. Operationally, it just wasn't
11:11:33 25 something that the desk did. That was part of it.

11:11:39 1 And then like said before, I didn't think
11:11:41 2 really we should be buying XRP.

11:11:45 3 Q. Brad didn't know that brokers need -- need
11:11:48 4 to register?

11:11:49 5 MR. HORTON: Objection to form.

11:11:49 6 A. I don't know.

11:11:59 7 Q. You reference in your email "XRP monetary
11:12:04 8 policy."

11:12:05 9 What do you mean by that?

11:12:09 10 A. This is -- going back a little now, but
11:12:13 11 that was early -- it was early in the -- in the
11:12:16 12 journey, if you will. And if I remember correctly,
11:12:22 13 you know, we were still trying to figure out -- more
11:12:31 14 than policy, loosely tied to sales and percentages
11:12:35 15 and how we did that.

11:12:37 16 I mean, I think that's what I'm referencing
11:12:40 17 here, but I can't remember exactly.

11:12:41 18 Q. Did you ever discuss internally how to
11:12:51 19 maximize Ripple's profits from XRP sales?

11:13:02 20 MS. COWAN: Objection.

11:13:06 21 A. Sorry. Proceeds maybe.

11:13:11 22 Q. And was there a trade-off between the
11:13:14 23 amount of money -- amount of proceeds you could
11:13:17 24 get --

11:13:18 25 A. Sorry, I wasn't answering that question as

11:13:19 1 an affirmative. I just meant it's probably more like
11:13:23 2 proceeds, not profits.

11:13:24 3 And, no, I did not talk to anybody about
11:13:26 4 maximizing the amount of money that we were making
11:13:28 5 from selling XRP.

11:13:29 6 Q. Was there a trade-off between the amount of
11:13:33 7 money you could raise from selling XRP and raising
11:13:40 8 the price of XRP?

11:13:42 9 MR. HORTON: Objection to form.

11:13:45 10 A. I wouldn't couch it that way. I would say
11:13:49 11 that there is a trade-off between how much you can
11:13:51 12 raise and negatively impacting the price.

11:14:07 13 Q. If you look at Brad's response to your
11:14:08 14 email, did Brad believe that -- that the XRP market
11:14:14 15 was not efficient?

11:14:16 16 MR. HORTON: Objection to form.

11:14:22 17 A. He -- in his original email, he seems to
11:14:27 18 think that maybe we're causing some distortions. He
11:14:32 19 mentions that.

11:14:54 20 Q. Was supply clarity important for you? For
11:15:00 21 XRP?

11:15:03 22 MR. HORTON: Objection to form.

11:15:03 23 Q. Sorry. Was the supply clarity for XRP
11:15:06 24 important to you?

11:15:08 25 MR. HORTON: Same objection.

11:15:19 1 A. I think supply clarity is important in any
11:15:22 2 market.

11:15:22 3 Q. Why is it important for the XRP market?

11:15:25 4 A. Yes.

11:15:26 5 Q. Why?

11:15:27 6 A. When I first joined the company, in -- you
11:15:33 7 know, there had been -- there was online forums, you
11:15:40 8 know, a lot of confusions around Ripple dumping and
11:15:44 9 not being clear about what it's doing with XRP and
11:15:46 10 all this stuff.

11:15:48 11 I felt like that was a hindrance to the
11:15:51 12 ability to develop the market. Markets really like
11:15:56 13 clarity, information, transparency. And I felt like
11:16:02 14 it was something -- it was a low-hanging fruit for us
11:16:06 15 to be able to fix that part of it.

11:16:09 16 But I think it was a -- it was a -- a --
11:16:10 17 beneficial to get supply clarity out to the market in
11:16:16 18 order to -- to clear up any fog, if you will.

11:16:22 19 Q. When you say "the market," you're talking
11:16:23 20 about investors and -- who are investing in XRP?

11:16:27 21 MR. HORTON: Objection to form.

11:16:27 22 A. I'm -- I'm not thinking about it that way,
11:16:30 23 I'm more thinking about just anybody who is trading
11:16:32 24 in XRP markets.

11:16:34 25 Q. So you wanted supply clarity for people

11:16:38 1 trading, buying, and selling XRP?

11:16:41 2 MR. HORTON: Objection to form.

11:16:42 3 A. Yeah.

11:16:44 4 Q. Was the lack of supply clarity for XRP a
11:16:49 5 hindrance to creating a trading market for XRP?

11:16:55 6 MR. HORTON: Objection to form.

11:16:59 7 A. Honestly, I can't point to anything that
11:17:00 8 would definitively say yes to that. So no.

11:17:13 9 Q. Did people at Ripple agree with your
11:17:15 10 recommendation to provide more supply clarity for
11:17:18 11 XRP?

11:17:18 12 MR. HORTON: Objection to form.

11:17:23 13 A. I think some people did.

11:17:25 14 Q. Did you discuss your recommendation with
11:17:29 15 anyone at Ripple?

11:17:31 16 A. Which recommendation?

11:17:32 17 Q. To provide more supply clarity?

11:17:38 18 MR. HORTON: Objection. Lack of
11:17:39 19 foundation.

11:17:40 20 A. I remember having discussions with Patrick
11:17:42 21 about this.

11:17:48 22 Q. Did you ever discuss the importance of
11:17:50 23 supply clarity, with Brad?

11:17:56 24 MS. COWAN: Objection.

11:18:02 25 A. I mean, there's a slight mention to it

11:18:06 1 here, but I think outside of this email, I don't
11:18:08 2 remember any specific -- like conversations with him
11:18:11 3 about it.

11:18:13 4 Q. Generally, do -- did you -- do you recall
11:18:19 5 conversations with Brad in which you recommended more
11:18:22 6 supply clarity for XRP?

11:18:25 7 MR. HORTON: Objection to form.

11:18:26 8 A. I don't.

11:18:50 9 Q. Did you -- did Ripple ever receive
11:18:52 10 inquiries from the public asking how to buy XRP?

11:18:56 11 MR. HORTON: Objection to form.

11:19:01 12 A. I don't know.

11:19:07 13 Q. Did you ever get emails from the public
11:19:11 14 inquiring where or how to buy XRP?

11:19:17 15 A. I don't remember. No.

11:19:23 16 MS. WAXMAN: Exhibit 8.

11:19:24 17 (Email re: Ripple XRP Contact Form, Bates
11:19:24 18 0623221, was marked MV Exhibit 8 for
11:19:24 19 identification, as of this date.)

11:19:40 20 Q. I'm showing you what's been marked as
11:19:41 21 Exhibit MV 8, which has the Bates 0623221.

11:20:12 22 (Witness reviewing document.)

11:20:20 23 A. Okay.

11:20:20 24 Q. Do you recognize what's been marked as
11:20:22 25 MV 8?

11:20:24 1 A. I do not.

11:20:45 2 Q. Did anyone ever inquire whether they could
11:20:52 3 buy shares of Ripple?

11:20:54 4 MR. HORTON: Objection. Lack of
11:20:56 5 foundation.

11:21:03 6 A. I mean ...

11:21:04 7 Q. Did anyone ever ask you whether they could
11:21:07 8 buy shares of Ripple and XRP?

11:21:11 9 A. Ask me?

11:21:13 10 Q. Yeah.

11:21:13 11 A. Not that I remember, no.

11:21:26 12 Q. Mr. Vias, I'm showing you what's been
11:21:28 13 marked as Exhibit MV 118.

11:21:31 14 (Email from [REDACTED] was marked MV
11:21:31 15 Exhibit 118 for identification, as of this
11:21:31 16 date.)

11:21:52 17 (Witness reviewing document.)

11:22:39 18 A. Okay.

11:22:43 19 MS. FORBES: The last exhibit I have is
11:22:46 20 marked 17.

11:22:51 21 MR. TENREIRO: Let me email it. I'm sorry,
11:22:53 22 Nicole.

11:23:00 23 Sorry, can we go on? This is just going to
11:23:03 24 take me a second -- are you okay to proceed?

11:23:06 25 MS. COWAN: I believe we are fine.

11:23:08 1 Q. Did [REDACTED] field inquiries from
11:23:11 2 the public about how to buy XRP?

11:23:14 3 MR. HORTON: Objection to form.

11:23:16 4 A. I don't remember.

11:23:35 5 This is marked October of '17. I don't
11:23:38 6 think [REDACTED] reported to me yet.

11:23:45 7 Q. Okay. It looks like an email she is asking
11:23:49 8 you what to -- how to respond to certain inquiries
11:23:55 9 from the public about how to buy XRP.

11:23:58 10 Do you see that?

11:23:58 11 MS. COWAN: Objection.

11:23:59 12 A. Yes. She said we've had a pick up in
11:24:06 13 interest -- up in interest in XRP buyers that don't
11:24:08 14 make the cut to be onboarded to XRP II.

11:24:12 15 MS. COWAN: I objected to that question.

11:24:23 16 Q. Did you direct her to tell those XRP buyers
11:24:28 17 to buy XRP off the exchanges?

11:24:31 18 MR. HORTON: Objection to form.

11:24:34 19 A. So just -- reading here, I think what I'm
11:24:44 20 saying to her is, we should -- we should introduce
11:24:53 21 anybody who wants to buy XRP to the over-the-counter
11:24:57 22 brokers. I name them here; [REDACTED]
11:25:01 23 [REDACTED] in Asia.

11:25:02 24 But if it's below a certain threshold, if
11:25:04 25 it's below 100,000, that it might be better to

11:25:09 1 suggest the exchanges. The over-the-counter brokers
11:25:15 2 tended to be larger transactions so they might not
11:25:17 3 want to onboard something for a small trade like
11:25:21 4 that.

11:25:21 5 Q. At the top of the page, you write, For
11:25:23 6 25,000 -- 25K, that's --

11:25:27 7 MR. HORTON: Objection.

11:25:27 8 A. No, that's her.

11:25:27 9 Q. She writes, For 25K, should I make
11:25:30 10 introductions to exchanges, or just funnel to XRP
11:25:33 11 portal to learn about exchanges?

11:25:35 12 What is the XRP portal?

11:25:38 13 A. I don't know if it still exists. But I
11:25:41 14 think at the time it was like a -- it was like an
11:25:45 15 XRP, FAQ, information website. I don't know what
11:25:52 16 stats it had at the time on there. It may have had
11:25:58 17 exchanges where XRP could trade maybe information
11:26:01 18 arrange the ledger, the transactions. Yeah.

11:26:07 19 Q. Did you tell her to direct inquiries from
11:26:11 20 individual investors about buying XRP to information
11:26:15 21 on the XRP portal?

11:26:17 22 MR. HORTON: Objection to form.

11:26:18 23 A. Yeah, I -- so I -- I just -- I just -- I
11:26:25 24 told her, if anyone is looking to purchase \$25,000
11:26:32 25 worth of XRP, that the best place is -- the best

11:26:36 1 thing is not to introduce them to exchanges. It's
11:26:38 2 just to basically give them the information as to
11:26:41 3 where XRP is available to trade.

11:26:48 4 Q. I thought you said the best thing was not
11:26:50 5 to introduce them to OTC brokers?

11:26:52 6 A. No.

11:26:53 7 MR. HORTON: Objection.

11:26:54 8 A. So she asks, Should I make introduction to
11:26:56 9 exchanges, or just funnel to XRP portal?

11:26:59 10 And I said, The latter for sure.

11:27:01 11 Q. Okay. And was the XRP portal on Ripple's
11:27:08 12 web page?

11:27:10 13 A. I don't remember. If it was a separate. I
11:27:13 14 don't remember where it's at.

11:27:15 15 Q. Did Ripple maintain the XRP portal?

11:27:18 16 MR. HORTON: Objection. Form.

11:27:19 17 A. I believe so.

11:27:20 18 Q. And at some point, was it taken down?

11:27:23 19 MR. HORTON: Objection.

11:27:24 20 A. I don't know.

11:27:28 21 MS. WAXMAN: Let's go off the record.

11:27:30 22 11:27.

11:27:31 23 THE VIDEOGRAPHER: Going off the record at
11:27:33 24 11:27 a.m. Eastern.

11:27:41 25 (A recess was taken from 11:27 to 11:41.)

11:41:11 1 THE VIDEOGRAPHER: We are back on the
11:41:11 2 record at 11:41 a.m. Eastern.

11:41:19 3 Q. Mr. Vias, earlier we spoke about what the
11:41:24 4 XRP trading market looked like when you joined the
11:41:27 5 company.

11:41:28 6 What did the XRP trading market look like
11:41:31 7 when you left?

11:41:34 8 MS. COWAN: Objection.

11:41:45 9 A. I won't -- I won't have numbers. But I do
11:41:48 10 remember specifically, when I first began, it was
11:41:50 11 around \$2 million a day of trading. I remember that,
11:41:54 12 just because we used to talk about it a lot.

11:41:56 13 I won't remember exactly how much traded
11:42:00 14 daily, but it would have been in the billions at that
11:42:02 15 point in April 2020.

11:42:07 16 In terms of exchanges, I don't know.
11:42:10 17 Around a couple hundred. Probably list XRP at this
11:42:13 18 point. I think there was four to six when I started.

11:42:19 19 Probably the biggest change is that, you
11:42:20 20 know, the -- the off-ledger volume, I think, dwarfs
11:42:28 21 the current ledger volume. Or the -- the volume when
11:42:32 22 I left. I think every major over-the-counter market
11:42:39 23 maker provides liquidity and XRP. When I began,
11:42:42 24 there were none.

11:42:44 25 And I think you can borrow and lend XRP

11:42:47 1 now, or back then when I left. And that was not --
11:42:51 2 we were not able to do that when I first joined.

11:42:59 3 Q. Any other difference from the time you
11:43:00 4 joined to the time you left?

11:43:02 5 A. Yeah. When I left we had -- it was
11:43:04 6 probably the biggest, I think, accomplishment, when I
11:43:11 7 look back at my time there, was having real
11:43:14 8 commercial flow going through xRapid, early still.
11:43:17 9 But I think when I left, we had three to four
11:43:20 10 companies using it. Now it's really different.

11:43:30 11 Q. And when did you leave Ripple?

11:43:33 12 A. My last official day was April 30, I think.

11:43:38 13 Q. Of what year?

11:43:39 14 A. 2020.

11:43:43 15 Q. You said that when you left the off-ledger
11:43:47 16 trading volume was enormous. I don't know if you
11:43:52 17 used that word, but it was much larger than it was
11:43:58 18 when you started.

11:43:59 19 A. I think the word I used was "dwarfed." I
11:44:01 20 think it dwarfed on-ledger volume.

11:44:04 21 Q. Were you and members of the XRP markets
11:44:07 22 team responsible for that increase in off-ledger
11:44:12 23 trading volume?

11:44:13 24 MR. HORTON: Objection to form.

11:44:13 25 MS. COWAN: Objection.

11:44:16 1 A. No.

11:44:17 2 Q. Did you play a role in the growth of the
11:44:20 3 XRP market?

11:44:22 4 A. I would like to think so.

11:44:25 5 Q. To the XRP.

11:44:26 6 How did you play a role?

11:44:29 7 MS. COWAN: Objection.

11:44:29 8 A. I think we partnered with the right
11:44:33 9 exchanges in the beginning. Our relationship with
11:44:35 10 Bitstamp and Bittrex I think was really important. I
11:44:39 11 think our work around developing the OTC market, as I
11:44:43 12 stated before.

11:44:49 13 Yeah, I mean, I think we did -- we did
11:44:51 14 small but important things to help the market
11:44:53 15 develop.

11:44:56 16 Q. Did you play a role in facilitating lending
11:45:01 17 of XRP?

11:45:04 18 MR. HORTON: Objection.

11:45:05 19 A. We did.

11:45:07 20 Q. When -- the time you left, who were the
11:45:11 21 biggest OTC liquidity providers for XRP?

11:45:16 22 MR. HORTON: Objection to form.

11:45:17 23 A. I won't know. I wouldn't know how to rank
11:45:26 24 them.

11:45:26 25 Q. Who were some of the largest ones? You

11:45:28 1 don't have to rank them, but who were some of the
11:45:31 2 biggest ones?

11:45:32 3 MR. HORTON: Objection to form.

11:45:33 4 A. I think [REDACTED]
11:45:44 5 in London. [REDACTED] in Asia.

11:45:50 6 Those would be the largest, I think.

11:45:52 7 Q. And you were responsible for bringing those
11:45:55 8 OTC providers into the XRP market, right?

11:45:59 9 MR. HORTON: Objection to form.

11:46:05 10 A. I definitely made it a goal to bring --
11:46:08 11 [REDACTED] in particular, I worked very closely with,
11:46:10 12 to try to get them to provide liquidity in XRP. I
11:46:13 13 don't remember doing anything with [REDACTED] directly.

11:46:18 14 I think [REDACTED] we may have -- I can't
11:46:20 15 remember if we had a -- a formal relationship, but I
11:46:25 16 spoke to the CEO there a bit. And [REDACTED]
11:46:32 17 definitely also is a similar but less high-touch
11:46:35 18 relationship than -- compared to the one with

11:46:37 19 [REDACTED]

11:46:38 20 Q. Would these OTC providers have made markets
11:46:40 21 in XRP absent your efforts?

11:46:42 22 MR. HORTON: Objection to form.

11:46:43 23 A. I don't know.

11:46:44 24 Q. Did your work contribute to the growth in
11:46:55 25 OTC XRP market?

11:46:57 1 MR. HORTON: Objection to form.

11:47:02 2 A. I think it helped.

11:47:11 3 Q. What was XRP's price when you left?

11:47:16 4 A. I don't remember exactly.

11:47:21 5 Q. But it was still pennies when you joined,
11:47:24 6 right?

11:47:25 7 A. Yes.

11:47:29 8 Q. Was it more than a penny when you left?

11:47:32 9 MR. HORTON: Objection.

11:47:33 10 A. Yes.

11:47:33 11 Q. Around how much was it when you left?

11:47:35 12 A. It was between 20 and 40 cents when I left.

11:47:40 13 Q. Did your work contribute to the increase in
11:47:43 14 XRP price?

11:47:44 15 MR. HORTON: Objection to form.

11:47:44 16 A. At which point? That price has gone up and
11:47:49 17 down a lot. I don't -- I don't know how to answer
11:47:52 18 that question. No.

11:48:01 19 Q. Did your work contribute to more market
11:48:03 20 participants trading XRP?

11:48:06 21 MR. HORTON: Objection to form.

11:48:13 22 A. I think so.

11:48:14 23 Q. Did your work contribute to more retail
11:48:17 24 purchasers purchasing XRP?

11:48:20 25 MR. HORTON: Objection to form.

11:48:21 1 A. I don't know.

11:48:22 2 Q. Did your work contribute to more XRP
11:48:25 3 trading on digital asset trading platforms?

11:48:27 4 MR. HORTON: Objection to form.

11:48:32 5 A. I think so, yup.

11:48:34 6 Q. So, basically, you and the XRP markets team
11:48:38 7 created a secondary market for XRP?

11:48:40 8 MR. HORTON: Object to form.

11:48:41 9 A. Basically, no. No.

11:48:44 10 Q. What contributed -- did your work
11:48:45 11 contribute to the creation of a secondary market for
11:48:48 12 XRP?

11:48:49 13 MR. HORTON: Objection to form.

11:48:52 14 A. I think it's important to look at XRP in
11:48:53 15 the context of crypto broadly. And think about all
11:48:57 16 of the things that have happened from 2016 until when
11:49:00 17 I left that company in 2020.

11:49:03 18 And, I think if I had to point out one
11:49:06 19 thing, that was the -- the primary driver of the
11:49:11 20 growth of XRP markets, it would probably be Bitcoin.

11:49:16 21 Just because, you know, crypto goes as
11:49:21 22 Bitcoin goes. And the bigger that market gets, the
11:49:24 23 bigger the markets underneath it get. More people
11:49:29 24 join crypto through Bitcoin and then they start
11:49:33 25 trading other things.

11:49:34 1 Q. So your efforts -- Ripple's efforts and
11:49:35 2 your efforts had nothing to do with the growth of the
11:49:38 3 XRP trading market?

11:49:40 4 MR. HORTON: Objection.

11:49:41 5 A. I didn't say that.

11:49:41 6 What I said was if I had to point out one
11:49:43 7 thing that was the primary driver, it would be -- the
11:49:47 8 state of crypto, broadly. And the fact that the
11:49:50 9 whole industry burgeoned over four years.

11:49:56 10 Q. Were there other drivers that you can point
11:49:57 11 to?

11:49:58 12 A. With respect to XRP?

11:50:01 13 Q. Yes.

11:50:03 14 A. I think when I joined Ripple in 2016, my
11:50:11 15 biggest concern was that XRP, if we continue to do
11:50:18 16 some of the things that we were doing, and didn't put
11:50:21 17 it in place where it could benefit, from a market
11:50:28 18 development perspective, from the broader crypto
11:50:31 19 trends, which we all believed were coming, that it
11:50:34 20 could just -- it could be left behind.

11:50:36 21 And then all of the things that folks were
11:50:38 22 talking about internally around using it as a bridge
11:50:40 23 asset and a better way to sell, and as a -- a -- a --
11:50:45 24 a better money movement, mechanism, globally, would
11:50:49 25 never come to fruition, because I felt like there was

11:50:53 1 a binary moment where if crypto went and -- you know,
11:50:58 2 the use case for XRP was basically -- focused solely
11:51:04 3 on the protocol, the rest of crypto didn't live on
11:51:09 4 the XRP protocol. That's not where -- that's not
11:51:11 5 where Bitcoin lives.

11:51:13 6 It's a lengthy way of saying, I think the
11:51:19 7 important thing that we did was kind of unstick it in
11:51:22 8 the beginning, and change that -- that strategy. And
11:51:30 9 say, No, like, if we want to grow liquidity for the
11:51:32 10 products, we need to figure out a way to leverage
11:51:34 11 what we all believe is coming, which is that the
11:51:37 12 whole world will enter crypto.

11:51:43 13 Q. So you recommended that Ripple leverage
11:51:46 14 retail interest in crypto?

11:51:48 15 MR. HORTON: Objection to form.

11:51:49 16 A. What I recommended was building a product
11:51:53 17 that leveraged the already existing interest on
11:51:55 18 different currency exchanges and making sure that XRP
11:52:00 19 was on those exchanges.

11:52:01 20 Q. So Ripple tried to position XRP to benefit
11:52:03 21 from broader -- broader crypto trends?

11:52:08 22 MR. HORTON: Objection to form.

11:52:12 23 A. I won't -- I won't talk about what Ripple
11:52:15 24 wanted. It was hard for me to talk about what a
11:52:17 25 company wanted. But what I can say is when I

11:52:19 1 started, I looked at XRP, and I thought this is a
11:52:24 2 wonderful technology. It's better than almost
11:52:27 3 anything that's out there right now. And I think at
11:52:29 4 the time, it was better than anything that was out
11:52:30 5 there, in terms of speed, efficiency cost.

11:52:33 6 And it was often, like, this little crypto
11:52:38 7 corner over here. It was like, what are we going to
11:52:40 8 do with this? Like, you can't build a product around
11:52:44 9 this. There's no liquidity. How are we going to
11:52:46 10 build the liquidity so we can overlay a product on
11:52:50 11 this? And the only way to do that was to leverage
11:52:52 12 the exchanges. That's where crypto lives.

11:52:55 13 And then at the time, you could see that
11:52:57 14 there was going to be an over-the-counter market, and
11:53:01 15 that was starting to develop. And I know from my
11:53:03 16 days in gold that an over-the-counter market is
11:53:06 17 incredibly important to a trading ecosystem. So
11:53:09 18 those were the -- you know, those were the -- the
11:53:11 19 pointers, right.

11:53:12 20 It's like, well, you have the exchanges.
11:53:13 21 You have the OTC. You get these things to grow
11:53:16 22 liquidity, and you overlay it's product. And that
11:53:19 23 was the plan.

11:53:21 24 Q. Did you -- at the time that you joined
11:53:25 25 Ripple, did you feel that the company did not do a

11:53:29 1 good job promoting XRP to the market?

11:53:34 2 MR. HORTON: Objection to form.

11:53:39 3 A. This wasn't about -- I -- if I have to
11:53:44 4 point at something that I didn't agree with from a
11:53:46 5 strategic perspective, it was -- it was kind of
11:53:48 6 holding on to that protocol vision.

11:53:54 7 In fact, it kind of felt like the company
11:53:57 8 wanted to go about this maybe the hardest way
11:54:01 9 possible, in terms of building a product that uses
11:54:03 10 crypto liquidity.

11:54:05 11 Q. Did you recommend that -- during your
11:54:14 12 investigative testimony, we spoke about an exchange
11:54:18 13 strategy.

11:54:19 14 Is that something that you spearheaded
11:54:21 15 while you were at Ripple?

11:54:23 16 MR. HORTON: Objection to form.

11:54:25 17 A. I think I was -- it was kind of in charge
11:54:28 18 of the effort. I can't remember how much of that was
11:54:30 19 already in play when I joined. I think some of it
11:54:32 20 may have been in play when I joined.

11:54:35 21 Q. And at -- as -- part of that strategy,
11:54:38 22 Ripple entered into agreements with exchanges?

11:54:41 23 MR. HORTON: Objection to form.

11:54:47 24 A. Yes.

11:54:47 25 Q. And those agreements provided certain

11:54:48 1 incentive payments to the exchange?

11:54:52 2 MS. COWAN: Objection.

11:54:57 3 A. In some instances.

11:55:00 4 Q. Well -- in what instances?

11:55:09 5 A. In -- in -- Bitstamp, Kraken. I think -- I
11:55:26 6 can't remember Bithumb in Korea. And there was
11:55:28 7 another exchange in Korea, which I think we had a
11:55:30 8 partnership with.

11:55:36 9 Bitso, I don't remember there being any
11:55:42 10 incentives. BitChecks, I don't remember.

11:55:46 11 Yeah, I think that does.

11:55:49 12 Q. Why did Ripple provide those incentives?

11:55:55 13 MR. HORTON: Objection to form.

11:55:58 14 A. So if you kind of go back to the first
11:56:01 15 quarter of 2017, very little trading in XRP, off the
11:56:08 16 protocol. Even on the protocol, there wasn't much.

11:56:12 17 It's -- it is challenging. It's
11:56:17 18 challenging to go to an exchange and say, Hey, list
11:56:20 19 XRP. We are going to drive a use case that is going
11:56:25 20 to bring commercial volume to your exchange
11:56:30 21 eventually. Trust us.

11:56:32 22 You know, the conversation says, Well,
11:56:34 23 maybe, and that sounds great, but, you know, I have
11:56:36 24 other things going on to take care of my existing
11:56:40 25 business. There are other, maybe, assets that I want

11:56:43 1 to list that I think, you know, could also be
11:56:45 2 popular.

11:56:46 3 So part of it is getting through some of
11:56:52 4 those challenges with the exchanges and saying, Well,
11:56:54 5 you know, maybe this will cover some of your
11:56:57 6 integration costs. You know, we'll partner with you
11:57:01 7 on a trading incentive program so that, you know,
11:57:04 8 you're guaranteed volume at launch. Not guaranteed,
11:57:07 9 but -- so that we can help engender a popular launch
11:57:12 10 as you folks trade it.

11:57:15 11 You know, I think there -- with -- with
11:57:17 12 some exchanges, in particular, like Bitstamp and
11:57:21 13 Bitso, there was certainly an interest in kind of a
11:57:27 14 longer-term partnership. Even at that early stage, I
11:57:29 15 think we were already thinking about which one of
11:57:32 16 these exchanges are going to be our, like, anchor
11:57:35 17 exchanges for the product, which really started to
11:57:40 18 come into fruition in March of '17. That's when all
11:57:43 19 of this was kind of happening.

11:57:47 20 So, yeah, not just one reason, really, but
11:57:52 21 kind of an amalgam, if you will.

11:57:56 22 Q. Ripple wanted XRP to be listed on as many
11:57:59 23 exchanges as possible, right?

11:58:02 24 MR. HORTON: Objection to form.

11:58:14 25 A. I think there are some exchanges that

11:58:15 1 need -- crypto -- you know, there are some exchanges
11:58:29 2 you don't know anything about. Some exchanges get
11:58:33 3 hacked. Some exchanges have reputational issues. I
11:58:35 4 think, in some respects, maybe those exchanges aren't
11:58:37 5 at valuable and kind of less interested in whether or
11:58:41 6 not XRP ever gets listed on those.

11:58:44 7 I think -- there's a -- there's a broad
11:58:47 8 goal of more exchange listings because that's
11:58:49 9 helpful, again, to, like, the whole liquidity
11:58:51 10 ecosystem. But, yeah, I wouldn't say as many as
11:58:56 11 possible.

11:58:58 12 Q. As many reputable exchanges as possible.

11:59:03 13 MR. HORTON: Objection.

11:59:03 14 A. Sure. Yes.

11:59:04 15 Q. And absent these agreements between Ripple
11:59:08 16 and the exchanges, would those exchanges have listed
11:59:11 17 XRP on their own?

11:59:12 18 MR. HORTON: Objection, form.

11:59:14 19 A. I don't know.

11:59:20 20 Q. Why would they have any incentive to list
11:59:23 21 XRP?

11:59:23 22 MR. HORTON: Objection. Calls for
11:59:24 23 speculation.

11:59:28 24 A. I mean as -- if, at any point, XRP starts
11:59:34 25 trading high volume on another, like a competing

11:59:36 1 exchange, then the -- their competitors would list
11:59:39 2 it.

11:59:42 3 Q. At the time that you --

11:59:43 4 A. Which is what happened. Mostly.

11:59:47 5 So, I mean, most of the listing didn't have
11:59:49 6 anything to do with us. The most XRP listings
11:59:52 7 happened organically on the back of -- you know,
11:59:55 8 again, kind of crypto doing what it does, XRP
12:00:00 9 following and then people saying, Whoa, XRP's trading
12:00:04 10 \$50 million on one exchange. How -- why don't we
12:00:07 11 have XRP listed? It trades a lot.

12:00:09 12 Q. In 2017, did XRP organically become listed
12:00:14 13 on exchanges?

12:00:15 14 A. Yes.

12:00:28 15 Q. Did Ripple play a role in getting XRP
12:00:30 16 listed on certain exchanges?

12:00:32 17 A. Yes.

12:00:33 18 MR. HORTON: Objection to form.

12:00:33 19 Q. And what role did it play?

12:00:40 20 A. Again, it depends a little bit on -- on the
12:00:43 21 exchanges. But with some exchanges, we would enter
12:00:48 22 in -- into some sort of a partnership where we would
12:00:53 23 either subsidize integration cost, or fund -- kind of
12:01:01 24 fee rebate programs for the customers at the
12:01:03 25 exchanges.

12:01:07 1 Q. And how did these fee rebates programs
12:01:09 2 work?

12:01:10 3 A. They were volume-based, mostly. I don't
12:01:17 4 remember all of the specifics, but I remember them
12:01:19 5 being highly volume-based.

12:01:21 6 Q. Ripple would -- would provide volume-based
12:01:25 7 incentives to people who traded XRP?

12:01:31 8 MR. HORTON: Objection to form.

12:01:32 9 A. We would provide -- we would provide funds
12:01:37 10 to the exchanges. And if I remember correctly, the
12:01:41 11 exchanges would then have -- more control over
12:01:45 12 exactly the programs. But if I remember correctly,
12:01:49 13 they were mostly volume-based.

12:01:57 14 Q. I'm not really clear. So Ripple would
12:02:00 15 provide funding for certain fee rebates and volume
12:02:04 16 incentive programs?

12:02:10 17 A. Yes. If I -- again, this is going back a
12:02:13 18 while now. I don't remember us designing the
12:02:18 19 programs, is what I mean.

12:02:19 20 Q. Who sets the parameters for the program?

12:02:22 21 A. If I remember correctly, I think it was the
12:02:24 22 exchanges.

12:02:25 23 Q. Did Ripple -- who set the amount of money
12:02:28 24 that was budgeted for the incentives?

12:02:32 25 MR. HORTON: Objection to form.

12:02:36 1 A. That was negotiated between us and the
12:02:39 2 exchange.

12:02:41 3 Q. Who had the final decision regarding the
12:02:44 4 amount of incentives?

12:02:46 5 MR. HORTON: Objection to form.

12:02:57 6 A. I think -- I think it varied by amount.

12:03:01 7 Sorry. Can I just get a clarification?

12:03:03 8 Are you asking me was it Ripple or the exchange that
12:03:07 9 had -- there was a negotiation.

12:03:16 10 Q. Did Ripple advertise these agreements with
12:03:19 11 exchanges?

12:03:20 12 MR. HORTON: Objection to form.

12:03:25 13 A. I don't remember.

12:03:28 14 MS. WAXMAN: Exhibit 10.

12:03:29 15 (Email re: Get XRP with 0% Fees, Bates
12:03:29 16 0353152, was marked MV Exhibit 10 for
12:03:29 17 identification, as of this date.)

12:03:49 18 Q. I'm showing you what's been marked
12:03:50 19 Exhibit MV 10, which has the Bates 0353152.

12:04:21 20 (Witness reviewing document.)

12:04:35 21 A. Okay.

12:04:36 22 Q. Does this -- is there any reason to believe
12:04:38 23 that you didn't get this email?

12:04:42 24 A. No.

12:04:44 25 Q. Does this refresh your memory whether

12:04:46 1 Ripple advertised these agreements with exchanges?

12:04:52 2 MS. COWAN: Objection.

12:04:55 3 A. With respect to Bitstamp?

12:05:01 4 Q. Did it advertise any agreements with any
12:05:04 5 other exchanges?

12:05:05 6 MR. HORTON: Objection to form.

12:05:06 7 A. I don't remember.

12:05:11 8 Q. The -- did Ripple send blast emails
12:05:14 9 regarding trading on Bitstamp with zero percent fees?

12:05:19 10 MR. HORTON: Objection to form.

12:05:24 11 A. I don't know. My -- the first line here
12:05:27 12 says, I guess -- guessing we send these blasts
12:05:30 13 regularly. First time I'm seeing it, but I was -- I
12:05:34 14 don't -- it seems like -- I don't remember this
12:05:36 15 document, but it seems like it was a surprise to me,
12:05:37 16 apparently.

12:05:39 17 Q. Why would Ripple want to advertise
12:05:42 18 zero percent fees for trading on Bitstamp?

12:05:46 19 MR. HORTON: Objection to form.

12:06:02 20 A. So, I -- again, hard for me to speak for
12:06:05 21 the company, but Bitstamp was a partner. We did this
12:06:10 22 deal with them. You want -- you want this --
12:06:20 23 endeavor to be successful, you want Bitstamp to have
12:06:23 24 high volume in XRP. So I think it looks like we were
12:06:25 25 doing our part in advertising it.

12:06:28 1 Q. And people who were buying and selling XRP
12:06:34 2 at -- on Bitstamp were speculating in XRP?

12:06:38 3 MR. HORTON: Objection to form.

12:06:39 4 A. I don't know.

12:06:40 5 Q. At the time of this partnership, had
12:06:43 6 Bitstamp integrated xRapid?

12:06:48 7 MR. HORTON: Objection to form.

12:06:48 8 A. No.

12:06:52 9 Q. So the only reason to promote XRP trading
12:06:56 10 on Bitstamp was to promote speculation in XRP?

12:07:00 11 MR. HORTON: Objection to form.

12:07:10 12 A. I think the -- I think the reason to
12:07:11 13 promote this was to get activity in XRP, was to grow
12:07:15 14 liquidity. This could also be for market makers.
12:07:18 15 And I think that's one of the things that Patrick is
12:07:22 16 referencing here. He said nothing about volume
12:07:24 17 incentives.

12:07:25 18 Remembering it now, there were generally
12:07:26 19 two types of programs. There was one that was just
12:07:28 20 zero fees, and that was for -- for nonmarket makers,
12:07:34 21 who tend to be a smaller piece of the liquidity pie
12:07:37 22 inside of the exchanges. The volume incentives were
12:07:39 23 meant to attract market makers to provide liquidity.

12:07:43 24 So I wouldn't say it was just for
12:07:45 25 speculation.

12:07:46 1 Q. Well, I'm just talking about the rebates
12:07:48 2 for the smaller volume, buying and selling.

12:07:54 3 Was that to attract retail purchasers of
12:07:58 4 XRP?

12:07:59 5 MR. HORTON: Objection to form.

12:08:00 6 A. No.

12:08:01 7 There was nothing that says that the -- the
12:08:03 8 market makers also couldn't participate with this on
12:08:06 9 the zero fees. So I think this is -- I think it's a
12:08:11 10 missed opportunity to talk about the other program as
12:08:13 11 well. But, no, this -- I think this is for a broader
12:08:20 12 audience.

12:08:21 13 Q. Did Ripple send blast emails to market
12:08:25 14 makers advertising this program?

12:08:26 15 MR. HORTON: Objection to form.

12:08:27 16 A. I don't know who they sent this to.

12:08:32 17 Q. Ripple also provided volume-based
12:08:35 18 incentives that were primarily directed towards
12:08:38 19 market makers.

12:08:41 20 MR. HORTON: Objection to form.

12:08:42 21 Is that a question?

12:08:51 22 A. Am I supposed to answer something?

12:08:52 23 Q. I'll rephrase.

12:08:53 24 Were the -- was the volume-based incentives
12:08:55 25 primarily directed at market makers?

12:08:58 1 MR. HORTON: Objection to form.

12:09:01 2 A. So I don't know how Bitstamp would have --
12:09:06 3 I can't remember how Bitstamp would have communicated
12:09:07 4 the volume incentive program. Our assumption was
12:09:10 5 because it is a volume incentive program, and we
12:09:13 6 understood the -- the larger pieces of the volume on
12:09:17 7 the exchanges were generated by market makers; that
12:09:20 8 the market makers would be the ones who could
12:09:24 9 participate kind of more fully in that program.

12:09:27 10 But I don't think it precludes a very
12:09:31 11 active trader as an example to participate in the
12:09:34 12 volume incentive program.

12:09:35 13 Q. And if you compare the rebate -- the fee
12:09:39 14 rebates, who was -- who were you targeting with the
12:09:42 15 fee rebates?

12:09:44 16 MR. HORTON: Objection to form.

12:09:47 17 A. I -- it wasn't as specific. It wasn't
12:09:50 18 like, I want these specific people -- whoever is on
12:09:55 19 the exchange trading.

12:09:58 20 Q. Individuals purchasing, selling XRP on the
12:10:01 21 exchanges.

12:10:04 22 MR. HORTON: Objection to form.

12:10:07 23 A. It would include individuals, yes.

12:10:19 24 Q. Did these agreements with exchanges include
12:10:24 25 any provisions that the platform would become a

12:10:32 1 validator for the ledger?

12:10:40 2 A. I don't remember there being any
12:10:46 3 contractual obligations. I think it may have been
12:10:50 4 recommended. I don't remember.

12:11:01 5 Q. Did any of the agreements ever
12:11:02 6 contractually -- did any of the agreements ever
12:11:10 7 include a provision that the platform would become a
12:11:13 8 validator?

12:11:16 9 MS. COWAN: Objection.

12:11:20 10 A. Again, I ...

12:11:23 11 Q. Did Ripple want the exchanges to become a
12:11:24 12 validator of the ledger?

12:11:26 13 MR. HORTON: Objection to form.

12:11:41 14 A. I don't know.

12:11:42 15 Q. Was that -- was getting more exchanges as
12:11:45 16 validators part of Ripple's strategy to further
12:11:51 17 decentralization of the XRP ledger?

12:11:55 18 MR. HORTON: Objection to form.

12:11:56 19 A. I don't remember.

12:12:08 20 Q. Did Ripple target specific exchanges for
12:12:11 21 speculative volume?

12:12:12 22 MR. HORTON: Objection to form.

12:12:20 23 A. No.

12:12:26 24 Q. What -- how did it decide what exchanges to
12:12:31 25 enter into agreements with?

12:12:39 1 A. We've talked about the reputabilities.

12:12:42 2 That was important.

12:12:46 3 THE COURT REPORTER: Could you repeat the
12:12:46 4 answer? I couldn't hear you. I'm sorry.

12:12:46 5 A. Sure.

12:12:47 6 We discussed briefly the -- the idea of
12:12:49 7 kind of reputation and which ones are reputable.

12:12:53 8 That was pretty high on the list of criteria.

12:13:02 9 Fiat liquidity, so the -- the fact that it
12:13:04 10 had a fiat on-ramp, so basically it wasn't just a
12:13:07 11 crypto-to-crypto exchange was important. In
12:13:11 12 particular, because the product -- xRapid really
12:13:16 13 doesn't work if it's just crypto to crypto. You need
12:13:19 14 to be able to park actual fiat at the exchanges.

12:13:28 15 And then probably the last piece -- so 1A
12:13:30 16 and 1B there with the fiat liquidity was just how
12:13:33 17 much activity was on the exchange. So if the
12:13:37 18 exchange had more volume, better than if it had less.

12:13:42 19 Q. Activity from speculators?

12:13:45 20 MR. HORTON: Objection to form.

12:13:46 21 A. You know, there's no way to tell from the
12:13:48 22 outside how much activity on an exchange is from
12:13:51 23 speculators or market makers or whomever. We didn't
12:13:55 24 have visibility into that.

12:14:00 25 Q. Were any of the people buying and selling

12:14:02 1 on exchanges, buying and selling in connection with
12:14:06 2 any Ripple product?

12:14:08 3 MR. HORTON: Objection to form.

12:14:12 4 A. At which point?

12:14:14 5 Q. At any point.

12:14:16 6 MR. HORTON: Same objection.

12:14:20 7 A. Well, yeah, I mean, I mentioned there was a
12:14:23 8 part there in 2018 when xRapid starts to get used
12:14:25 9 by -- first our pilot customers and then our
12:14:28 10 commercial customers.

12:14:31 11 That didn't have anything to do with -- I
12:14:32 12 mean that had everything to do with xRapid.

12:14:36 13 Q. What was x -- what was the volume at
12:14:39 14 trading associated with xRapid as opposed to the
12:14:43 15 overall XRP trading volume?

12:14:47 16 A. In the market? At large, or at particular
12:14:51 17 exchanges?

12:14:54 18 Q. Both.

12:14:54 19 A. So I won't know -- I won't know specifics.
12:14:56 20 I won't remember this. And xRapid kind of took off
12:15:03 21 when I was -- when I went on paternity leave in the
12:15:05 22 middle of '19, I think. And when I came back, I was
12:15:11 23 a little kind of separated from that.

12:15:13 24 But I do remember on Bitso, there came
12:15:18 25 point -- I think it was in late 2019, where XRP flows

12:15:22 1 through xRapid were the biggest liquidity pool, at
12:15:29 2 Bitso, which was a -- it was a point of pride --

12:15:35 3 Q. Did that volume originate with MoneyGram?

12:15:42 4 MR. HORTON: Objection.

12:15:42 5 A. I think MoneyGram was one of the
12:15:44 6 participants. I think -- I think all of the
12:15:46 7 customers, at the time, were using that corridor. So
12:15:50 8 validator with Bitso.

12:15:52 9 Q. And was MoneyGram the largest xRapid
12:15:56 10 customer on Bitso at the time?

12:15:59 11 A. I believe so.

12:15:59 12 Q. And did Ripple pay MoneyGram incentives to
12:16:03 13 transact in XRP in connection with xRapid?

12:16:12 14 A. There was an incentive contract, yes. I
12:16:14 15 don't remember the specifics.

12:16:16 16 Q. Absent those incentives, wouldn't it have
12:16:18 17 been economical for MoneyGram to transact in XRP in
12:16:22 18 connection with xRapid?

12:16:24 19 MR. HORTON: Objection to form.

12:16:28 20 A. Probably not.

12:16:32 21 Q. Other than MoneyGram, did anyone transact
12:16:36 22 in XRP -- transact in XRP, through xRapid, with any
12:16:42 23 significant volume?

12:16:44 24 MR. HORTON: Objection to form.

12:16:49 25 A. I think so. Other -- define "significant."

12:16:58 1 Q. I can't give you an amount.

12:17:02 2 A. Then, neither can I.

12:17:04 3 Q. Was MoneyGram Ripple's largest customer
12:17:10 4 that transacted XRP through xRapid?

12:17:18 5 MS. COWAN: Objection to form.

12:17:19 6 A. I believe so.

12:17:34 7 MS. WAXMAN: Exhibit 37.

12:17:35 8 (Email re: Comp Discussion, Bates-Stamp
12:17:35 9 Number 0070410, was marked MV Exhibit 37 for
12:17:35 10 identification, as of this date.)

12:17:56 11 Q. Mr. Vias, I'm showing you what's been
12:17:58 12 marked Exhibit 37 with the Bates-Stamp
12:18:00 13 Number 0070410.

12:18:09 14 (Witness reviewing document.)

12:21:10 15 A. Okay.

12:21:20 16 Q. In May of 2017, did you request XRP
12:21:28 17 compensation from Ripple?

12:21:31 18 A. Yes.

12:21:33 19 Q. And what did you request?

12:21:41 20 A. Some option -- if I wanted XRP struck at
12:21:47 21 [REDACTED], which knocks in at [REDACTED] with a knock-in
12:21:52 22 window of [REDACTED], with [REDACTED] to expire.

12:21:55 23 Q. And did you feel that you had earned what
12:22:04 24 you were requesting?

12:22:13 25 A. At the time -- I mentioned the fact that

12:22:24 1 Patrick and I had sat down in San Francisco before.

12:22:32 2 You know, it had come to my attention that
12:22:35 3 other folks in the company had received large XRP
12:22:37 4 advance earlier in the company's history. We had
12:22:40 5 done some deals that -- included really large amounts
12:22:44 6 of XRP, and -- you know, I felt like -- given some of
12:22:58 7 the lack of structure, we've seen XRP sales, strategy
12:23:05 8 around the protocol, and not trying to leverage the
12:23:08 9 off-ledger exchanges, I felt that I was bringing a
12:23:13 10 lot of value to the company.

12:23:19 11 And I felt like I would continue to do
12:23:20 12 that. And I felt like I should be compensated for
12:23:25 13 that.

12:23:31 14 Q. What response did you get?

12:23:36 15 A. I mean, so -- honestly, Patrick responds
12:23:39 16 here, a very lengthy response. I won't read it.

12:23:48 17 And then Brad and he -- Brad and Patrick
12:23:53 18 and me, we sat down in New York. And they basically
12:23:56 19 said that they weren't going to give me my ask. But
12:24:00 20 that they -- they would give me more equity in the
12:24:05 21 company.

12:24:06 22 Q. And why didn't they want to give you your
12:24:09 23 ask?

12:24:10 24 MR. HORTON: Objection to form.

12:24:12 25 A. I don't remember exactly the reason.

12:24:16 1 Q. Was it in -- did they say that you had not
12:24:19 2 performed well?

12:24:22 3 A. No.

12:24:38 4 Q. Did you feel that management wasn't
12:24:41 5 recognizing your accomplishments by denying the
12:24:44 6 request?

12:24:46 7 MS. COWAN: Objection.

12:24:55 8 A. No. Actually, in the end, I felt bad for
12:24:58 9 making such a large request. And I was glad that
12:25:00 10 they gave me some liquidity, because I could have
12:25:04 11 just gotten fired.

12:25:05 12 Q. At the time that you made the request, did
12:25:08 13 you have a hope that XRP could appreciate in value?

12:25:13 14 MR. HORTON: Objection to form.

12:25:17 15 A. I don't think there was a hope. I thought
12:25:18 16 all of crypto was going to rally. And I felt we had
12:25:22 17 done just enough work to, again, kind of unstick it
12:25:26 18 from that little corner that it was living in, on the
12:25:31 19 protocol.

12:25:32 20 Q. At that point, did you feel that your
12:25:33 21 efforts had contributed to XRP's increase of value?

12:25:37 22 MR. HORTON: Objection to form.

12:25:38 23 A. Yeah. I think -- indirectly. Look back at
12:25:45 24 2017, how crypto had two massive runups. One in,
12:25:50 25 like, the first half of the year, and then the second

12:25:53 1 half the year. And, you know, I do wonder if we
12:26:01 2 hadn't done some of the work around liquidity
12:26:05 3 building, market development on exchange and off
12:26:09 4 exchange, I do wonder if it would have participated
12:26:11 5 in any of that.

12:26:17 6 It might not have.

12:26:19 7 Q. So you thought your work in connection with
12:26:21 8 growing the XRP market contributed to the increase in
12:26:26 9 XRP's value?

12:26:27 10 MR. HORTON: Objection to form. Misstates
12:26:28 11 his testimony.

12:26:31 12 A. I think we were finally doing things that
12:26:34 13 were going to allow XRP to -- to -- to benefit from
12:26:43 14 everything that was happening in crypto.

12:26:44 15 Q. And what things were you finally doing?

12:26:50 16 A. Again, putting it on exchanges, developing
12:26:51 17 the over-the-counter market, removing FUD with
12:26:57 18 clarity and transparency. Just starting to build a
12:27:08 19 market.

12:27:15 20 Q. Did it also include providing supply
12:27:18 21 clarity for XRP?

12:27:21 22 Did the things you did also include
12:27:23 23 providing supply clarity for XRP?

12:27:29 24 MS. COWAN: Objection.

12:27:30 25 A. I think that was a component of it, yes.

12:27:32 1 Q. Did you also make Ripple's efforts more
12:27:42 2 transparent to the market so that it could be -- so
12:27:43 3 it could be -- these -- those efforts could be
12:27:44 4 reflected in XRP's price?

12:27:47 5 MR. HORTON: Object to form.

12:27:55 6 A. I wouldn't put it that way.

12:28:00 7 So I think what -- with the transparency
12:28:02 8 and its supply clarity, I think that's a -- a broader
12:28:06 9 issue for a market, generally. You know, I do think
12:28:12 10 the -- you know, I think at the time, there hadn't
12:28:22 11 been much said about XRP for a while, by the company
12:28:31 12 or anybody else, really.

12:28:33 13 So I think it was good for interest in XRP
12:28:36 14 markets broadly, that the world knew that we were
12:28:41 15 building products for it to use this liquidity. I
12:28:45 16 think that's helpful.

12:28:46 17 Q. Did you recommend that Ripple be more
12:28:50 18 transparent about what it was doing, related to XRP?

12:28:55 19 MR. HORTON: Objection to form.

12:28:57 20 A. I don't remember specifics, but I think
12:29:02 21 broadly that was my stance, yes.

12:29:10 22 Q. Did people agree with that recommendation?

12:29:12 23 MR. HORTON: Objection to form.

12:29:14 24 A. Some.

12:29:18 25 Q. Did the company seek to make -- what it did

12:29:26 1 relate to XRP more transparent to the market?

12:29:29 2 MR. HORTON: Objection to form.

12:29:31 3 A. I'm sorry, I didn't understand that.

12:29:32 4 Q. Did the company want to make its efforts
12:29:35 5 related to XRP more transparent to the market?

12:29:38 6 MR. HORTON: Objection to form.

12:29:39 7 A. I don't know.

12:29:53 8 MS. WAXMAN: Exhibit 18.

12:29:54 9 (Email exchange beginning with Bates
12:29:54 10 0542677 was marked MV Exhibit 18 for
12:29:54 11 identification, as of this date.)

12:30:20 12 Q. Mr. Vias, I'm showing you what's been
12:30:22 13 marked as MV 18, which is a document that begins with
12:30:25 14 the Bates 0542677.

12:30:35 15 (Witness reviewing document.)

12:32:47 16 A. Okay.

12:32:48 17 Q. Mr. Vias, do you recall receiving this
12:32:50 18 email?

12:32:51 19 A. I don't.

12:32:52 20 Q. Any reason to believe you didn't receive
12:32:54 21 this email?

12:32:56 22 MS. COWAN: Objection.

12:33:03 23 Which email are you talking about?

12:33:04 24 MS. WAXMAN: Talking about the email in the
12:33:05 25 middle of the page, on March 22, 2017.

12:33:14 1 Q. That's your response?

12:33:15 2 A. The one I wrote?

12:33:16 3 Q. That's the one you wrote, yeah.

12:33:18 4 A. Yea. So is the question, did I write that?

12:33:23 5 Q. Any reason to believe you didn't write
12:33:25 6 that?

12:33:25 7 A. No.

12:33:27 8 MS. COWAN: Objection.

12:33:27 9 Q. And who is -- Monica Long is on some of
12:33:33 10 these email strings. Who is Monica Long?

12:33:37 11 A. At the time, she was head of marketing.

12:33:42 12 Q. And on the second page of the email, she
12:33:47 13 writes to Patrick Griffin, Patrick and I were in --
12:33:50 14 in an XRP meeting this morning at which a newish
12:33:53 15 development solidified. It's clear we're going to
12:33:56 16 have to invest our near-term energy into attracting
12:34:01 17 speculators.

12:34:07 18 MS. COWAN: Objection. That email is to
12:34:08 19 [REDACTED], not -- with a cc to [REDACTED]

12:34:12 20 MS. WAXMAN: I'm sorry, I didn't hear you.

12:34:13 21 MS. COWAN: That email is to [REDACTED]
12:34:15 22 [REDACTED] not -- with a cc to Patrick Griffin. She's
12:34:17 23 not writing to Patrick.

12:34:21 24 MS. WAXMAN: Thank you.

12:34:22 25 Q. Do you recall, in early 2017, discussing

12:34:28 1 efforts to attract speculators to XRP?

12:34:32 2 MR. HORTON: Objection to form.

12:34:37 3 A. Not really, no.

12:34:45 4 Q. On the first page, your email, sentence
12:34:50 5 starting, As for speculator motivation, the primary
12:34:54 6 driver tends to be the opportunity to make money,
12:34:56 7 either by trading volatility or by holding an asset
12:35:01 8 in the hopes of -- hopes it appreciates.

12:35:07 9 Is this how you understand the definition
12:35:10 10 of a "speculator"?

12:35:12 11 MR. HORTON: Objection to form.

12:35:20 12 A. I would add a few things here, maybe. I
12:35:22 13 think -- I should have been a little bit clear about
12:35:25 14 what "trading volatility" means. You can -- you can
12:35:27 15 make money -- you can speculate and make money on
12:35:30 16 things that don't move by selling things like
12:35:34 17 strangles and straddles, like option strategies and
12:35:37 18 you just kind of sit there and collect premium. You
12:35:39 19 can also make money when things move, doing the
12:35:42 20 opposite of that and obviously just trading around a
12:35:45 21 price.

12:35:46 22 You can certainly buy it and then sell it.
12:35:49 23 You can also sell it and then buy it. And so in
12:35:52 24 really established markets, the sequencing is kind of
12:35:56 25 a -- irrelevant when you're speculating. You can --

12:35:59 1 you know, if you think something is going to go down
12:36:02 2 before it goes up, you can sell it before you buy it
12:36:04 3 and vice versa. But, yeah, I would have -- I should
12:36:07 4 have added that.

12:36:09 5 Q. But is your understanding that the primary
12:36:11 6 driver for speculators is the opportunity to make
12:36:14 7 money?

12:36:15 8 A. Yes.

12:36:27 9 Q. In the next paragraph, you write, There are
12:36:33 10 no clear signs of its use by anyone.

12:36:36 11 Are you talking about XRP?

12:36:41 12 A. Yes.

12:36:43 13 Q. So in March 2017, you believed that nobody
12:36:48 14 was going to use XRP?

12:36:50 15 MR. HORTON: Objection to form.

12:36:53 16 A. No.

12:36:55 17 Q. Was anybody using XRP at the time for
12:36:58 18 cross-border payments?

12:37:01 19 A. Not that I knew of.

12:37:03 20 Q. Were any banks using XRP at that time for
12:37:06 21 cross-border payments?

12:37:08 22 A. Not that I know of.

12:37:09 23 Q. Did Ripple have a distribution strategy for
12:37:12 24 XRP at that time?

12:37:17 25 MS. COWAN: Objection.

12:37:26 1 A. I think it did, but as we kind of touched
12:37:27 2 on previously, it wasn't very structured.

12:37:29 3 Q. And what was its strategy at the time?

12:37:33 4 MR. HORTON: Objection to form.

12:37:34 5 A. I think most of the distribution strategy
12:37:42 6 revolved around -- it was programmatic XRP sales.

12:37:48 7 Q. And why weren't the programmatic XRP sales
12:37:54 8 very structured?

12:37:55 9 MR. HORTON: Objection to form.

12:37:56 10 A. I don't know.

12:38:01 11 Q. You just said it wasn't very structured.
12:38:02 12 So what did you think about the strategy that wasn't
12:38:04 13 structured?

12:38:05 14 A. I felt we had to put some structure around
12:38:07 15 it.

12:38:08 16 Q. And did you make any recommendations on how
12:38:11 17 to provide any structure?

12:38:17 18 A. Yeah. I think -- I think I mentioned that
12:38:19 19 in a previous email that we looked at today, where I
12:38:21 20 was going to propose some structures around how we
12:38:26 21 were selling. It's how we ended up kind of that more
12:38:30 22 structured cadence, the Friday meetings, the
12:38:32 23 percentage of volume. That's where all that comes
12:38:34 24 from.

12:38:35 25 Q. Got it.

12:38:48 1 Are you familiar with XRP Chat?

12:38:53 2 A. Yes.

12:38:54 3 Q. What is XRP Chat?

12:38:59 4 A. Actually, I don't know if it still exists.

12:39:03 5 But it was a forum where folks discussed

12:39:08 6 XRP. And -- yeah.

12:39:12 7 Q. Did you regularly read XRP Chat?

12:39:16 8 MS. COWAN: Objection.

12:39:26 9 A. I think early on; probably like the first

12:39:29 10 six months, maybe even a year. No, the first

12:39:31 11 probably six months. I think I read it most

12:39:33 12 frequently then, and then it tapered off and then I

12:39:37 13 stopped reading it at all.

12:39:40 14 Q. Why did you read posts on XRP Chat?

12:39:49 15 A. I think I started reading it -- there was a

12:39:54 16 few folks -- and I think this predates when I joined

12:39:56 17 the company -- there were folks on there from the

12:39:58 18 company who would chime in, and there would be

12:40:02 19 discussions about what was happening with respect to

12:40:04 20 XRP broadly, specifically anything the company was

12:40:07 21 doing.

12:40:08 22 You know, it was an interesting place to

12:40:10 23 hear, kind of, folks discuss XRP. And it was a

12:40:15 24 little bit of crypto broadly.

12:40:17 25 Q. Was it a resource for the views of XRP

12:40:21 1 investors and speculators?

12:40:23 2 MR. HORTON: Objection to form.

12:40:31 3 A. You know, I think it was a place where you
12:40:33 4 could -- you could go to get folk's opinions on what
12:40:36 5 was happening with XRP. It was always suggestions,
12:40:42 6 and people always had opinions on what they wanted to
12:40:44 7 see. So, yeah, it was a little bit like a finger on
12:40:49 8 the pulse, if you will.

12:40:50 9 Q. Were there specific threads within XRP Chat
12:40:54 10 devoted to trading and speculation of XRP?

12:40:57 11 MR. HORTON: Objection to form.

12:41:01 12 A. I don't remember any specific threads.

12:41:05 13 Q. Did you regularly post on XRP Chat?

12:41:09 14 Did you post at all on XRP Chat?

12:41:11 15 A. In the beginning, a little bit, yeah. I
12:41:14 16 did.

12:41:15 17 Q. And this was while you were employed with
12:41:17 18 Ripple?

12:41:18 19 A. Yes.

12:41:19 20 Q. And why did you post on XRP Chat?

12:41:31 21 A. I don't remember.

12:41:38 22 MS. WAXMAN: 115, Exhibit 115.

12:41:39 23 (Thread from XRP Chat was marked MV Exhibit
12:41:39 24 115 for identification, as of this date.)

12:41:58 25 Q. Mr. Vias, I'm showing you what's been

12:42:00 1 marked as MV 115, which is a thread from XRP Chat, in
12:42:13 2 the XRP trading and price speculation forum.

12:42:45 3 I'm just going to ask you about your post,
12:42:47 4 on the first and second page.

12:42:52 5 A. Okay.

12:42:58 6 MR. HORTON: Counsel, do you mean first
12:42:59 7 page from the front or from the back?

12:43:03 8 MS. WAXMAN: The front. My understanding.
12:43:19 9 (Witness reviewing document.)

12:45:09 10 A. Okay.

12:45:14 11 Q. Did you post on XRP Chat on February 24,
12:45:17 12 2017, in XRP trading and price speculation?

12:45:22 13 A. Yes.

12:45:28 14 Q. And the post says, Quick question: Outside
12:45:30 15 of banks using XRP and higher prices, if there was
12:45:34 16 one thing you could want us to do for XRP, what would
12:45:37 17 it be?

12:45:38 18 When you say "us," are you talking about
12:45:40 19 Ripple?

12:45:42 20 A. Yes.

12:45:44 21 Q. Then you write, Can't promise anything, but
12:45:47 22 as someone who is responsible for driving our XRP
12:45:52 23 strategy, I'm curious about what this group thinks.

12:45:55 24 "This group" was speculators and traders?

12:46:01 25 MS. COWAN: Objection.

12:46:06 1 A. I don't know. These are folks on XRP Chat.

12:46:13 2 Q. Were these people buying XRP for anything
12:46:18 3 other than for investment purposes?

12:46:20 4 MR. HORTON: Objection to form. Calls for
12:46:22 5 speculation.

12:46:22 6 A. I don't know.

12:46:25 7 Q. You write, I'm curious about what this
12:46:27 8 group thinks.

12:46:29 9 Why did you want to know what this group
12:46:32 10 thought?

12:46:44 11 A. I mentioned before, that there were large
12:46:49 12 chunks of time, where -- XRP didn't really play a
12:46:53 13 part internally and externally, in kind of a -- I
12:47:05 14 shouldn't say it didn't play a part. It played some
12:47:09 15 part, but it just -- it wasn't core to the -- to
12:47:12 16 the -- the software strategy.

12:47:16 17 And I think the before the FinCEN fine,
12:47:20 18 everything was about the protocol and everything was
12:47:21 19 about XRP. After the FinCEN fine, that changed a
12:47:23 20 little bit. And I think -- it was my assumption,
12:47:29 21 still is, that a lot of the folks who were on XRP
12:47:33 22 Charts -- or Chat, XRP Chat, had become interested in
12:47:38 23 the technology in XRP and Ripple sort of 2013, 2014.

12:47:43 24 And then they were still interested, but
12:47:48 25 there hadn't been much to talk about, and the --

12:47:51 1 there wasn't anything being said about what was
12:47:53 2 happening with XRP.

12:47:56 3 If you will notice a few of these -- a few
12:47:59 4 of the responses here are like, Can you build more
12:48:01 5 developer tools, like -- can we figure out a way to,
12:48:04 6 you know, do interesting projects around NGOs and --
12:48:11 7 pay for good.

12:48:14 8 There was a community around the
12:48:16 9 technology. I think we always focus on crypto as
12:48:21 10 like goods; these things, these assets that people
12:48:24 11 trade and buy and they go up and down and people want
12:48:26 12 to make money. But in -- at their core, they're --
12:48:29 13 they're technology. And in -- in many respects, it's
12:48:34 14 open-source technology that has -- and it's a few
12:48:37 15 folks kind of mention that here.

12:48:39 16 So, anyway, I felt like there was a --
12:48:41 17 there was a lack engagement with this community. And
12:48:44 18 that there could be some benefit by engaging with
12:48:46 19 them.

12:48:47 20 Q. And -- but this community was posting in
12:48:50 21 the forum called XRP Trading and Price Speculation.

12:48:57 22 MR. HORTON: Objection to form.

12:48:58 23 Q. So was this community traders and
12:48:59 24 speculators?

12:49:02 25 MR. HORTON: Objection. Form.

12:49:07 1 A. Yeah, I -- look, I -- this was the thread
12:49:11 2 that was most closely aligned with what I had to work
12:49:14 3 with in the company, which was markets. So it's
12:49:16 4 why -- I think that's why I posted here, but I don't
12:49:18 5 remember why.

12:49:21 6 Q. At the top you write, Outside of banks
12:49:24 7 using it, XRP and higher prices.

12:49:28 8 Was bank usage and higher prices something
12:49:30 9 that Ripple told XRP holders that it would work to
12:49:36 10 do?

12:49:38 11 MR. HORTON: Objection to form.

12:49:40 12 A. No. No. Again, this is a lot that -- I
12:49:45 13 think I remember that being like a common thread in
12:49:47 14 XRP Chat. So I was telling them, like, Look, if
12:49:51 15 you're going to ask me about banks and higher prices,
12:49:55 16 I don't want to talk about that. That's not what I'm
12:49:57 17 here for.

12:49:58 18 Q. Where did that originate, that -- that
12:50:05 19 Ripple would work toward bank usage of XRP?

12:50:09 20 MR. HORTON: Objection to form.

12:50:13 21 A. I don't know.

12:50:13 22 Q. Did Ripple publicly say that?

12:50:16 23 MR. HORTON: Objection to form.

12:50:21 24 A. I don't remember.

12:50:29 25 MS. WAXMAN: Exhibit 15.

12:50:29 1 (Post from XRP Chat dated February 26, 2017
12:50:29 2 was marked MV Exhibit 15 for identification, as
12:50:29 3 of this date.)

12:50:51 4 Q. Mr. Vias, I'm showing you what's been
12:50:53 5 marked as MV 15, which is another post from XRP Chat
12:51:00 6 dated February 26, 2017.

12:51:05 7 It appears to be by you.

12:51:17 8 (Witness reviewing document.)

12:52:01 9 A. Okay.

12:52:02 10 Q. Did you make this post on February 26,
12:52:10 11 2017? Was this in response to your question that you
12:52:12 12 had asked, in Exhibit 115, dated February 24, 2017?

12:52:18 13 MS. COWAN: Objection.

12:52:25 14 Q. The -- the second-to-last paragraph says,
12:52:26 15 The most of you are not Ripple employees. You are
12:52:29 16 most definitely on the team, some only because you're
12:52:33 17 long XRP.

12:52:34 18 What do you mean -- what does that mean,
12:52:37 19 "long XRP"?

12:52:38 20 A. It means folks owned XRP.

12:52:42 21 Q. Does that mean they were looking for the
12:52:44 22 value of XRP to increase?

12:52:50 23 A. Yeah. Usually when you're "long"
12:52:52 24 something, you want it to go up in price.

12:52:56 25 Q. So in February 2017, were you aware that

12:53:01 1 retail investors were buying XRP for investment
12:53:03 2 purposes?

12:53:04 3 MR. HORTON: Objection to form.

12:53:11 4 A. No.

12:53:15 5 Q. No?

12:53:29 6 A. That's an assumption.

12:53:35 7 Q. Was it your understanding or your belief
12:53:38 8 that retail investors were buying XRP for investment
12:53:42 9 purposes in early 2017?

12:53:44 10 MR. HORTON: Objection to form.

12:53:47 11 A. I assume some folks were long. Yeah.

12:53:52 12 Q. Did you want to ensure that these people
12:53:55 13 knew that they were important to Ripple? And that
12:53:58 14 their views were being heard by Ripple?

12:54:02 15 MR. HORTON: Objection to form.

12:54:02 16 A. I think I wanted them to know that somebody
12:54:05 17 was listening.

12:54:11 18 Q. Why was that important to you?

12:54:17 19 A. You know, like I said, it's -- it's more
12:54:20 20 than just a -- it's more than just a lottery ticket,
12:54:26 21 you know. A lot of people really believed, and still
12:54:36 22 do, in crypto, and what it can do. And a lot of
12:54:44 23 people spend a lot time, energy, effort, yeah.
12:54:46 24 Sometimes money, but most of the time, that's the
12:54:48 25 least important part of it.

12:54:50 1 Q. Did -- a lot of people really believe that
12:54:55 2 Ripple would contribute to an increase in value for
12:54:59 3 XRP?

12:54:59 4 A. I don't --

12:55:01 5 MR. HORTON: Objection.

12:55:01 6 MS. COWAN: Objection.

12:55:04 7 Q. Did anyone ever instruct you to make sure
12:55:06 8 XRP was not sold to speculators?

12:55:10 9 MS. COWAN: Objection.

12:55:12 10 A. No.

12:55:15 11 Q. Or that it was only sold to people who
12:55:18 12 would use it in connection with xRapid?

12:55:23 13 MR. HORTON: Objection.

12:55:24 14 A. No.

12:55:27 15 MS. WAXMAN: Exhibit 116.

12:55:29 16 MR. HORTON: I would like to stop for lunch
12:55:30 17 now.

12:55:31 18 MS. WAXMAN: Yeah, just after this.

12:55:35 19 THE VIDEOGRAPHER: Going off the record --

12:55:37 20 MR. TENREIRO: I think we're staying on.

12:55:41 21 MR. HORTON: I would like to take a lunch
12:55:42 22 break now.

12:55:43 23 MS. WAXMAN: Wait, I didn't call -- we're
12:55:44 24 still off the record. I want to --

12:55:50 25 MR. HECKER: We are asking to take a break

12:55:50 1 for lunch. I think the witness has been going for an
12:55:51 2 hour and a half. We're not asking -- do we need to
12:55:53 3 ask permission to take a break for lunch? We've been
12:55:55 4 going for an hour and a half.

12:55:56 5 MR. TENREIRO: That's not what we
12:55:57 6 discussed, but that's fine.

12:55:58 7 MS. WAXMAN: Okay.

12:55:58 8 MR. HORTON: It's 1:00 o'clock.

12:55:59 9 MS. WAXMAN: We're off the record at 12:55.

12:56:02 10 THE VIDEOGRAPHER: Going off the record at
12:56:02 11 12:55 p.m. Eastern.

12:56:05 12 (Luncheon recess at 12:55)

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12:56:05 1 A F T E R N O O N S E S S I O N

12:56:05 2 (1:35)

12:56:06 3 MIGUEL VIAS

12:56:06 4 resumed, having been previously duly

12:56:06 5 sworn by a Notary Public, was

12:56:06 6 examined and testified further

12:56:06 7 as follows:

12:56:17 8 THE VIDEOGRAPHER: We are back on the

01:35:10 9 record at 1:35 p.m. Eastern.

01:35:14 10 CONTINUED EXAMINATION BY MS. WAXMAN:

01:35:17 11 Q. Mr. Vias, I would like to show you what's

01:35:20 12 been marked as Exhibit MV 116, which is a thread from

01:35:30 13 XRP Chat dated August 2017.

01:35:36 14 (XRP Chat dated August 2017 was marked MV

01:35:36 15 Exhibit 116 for identification, as of this

01:35:36 16 date.)

01:36:20 17 (Witness reviewing document.)

01:37:23 18 A. Okay.

01:37:25 19 Q. On page 6, there's a post by you. Any

01:37:35 20 reason to believe you didn't make this post?

01:37:38 21 A. No.

01:37:39 22 Q. Is this a post you made in XRP trading and

01:37:43 23 price speculation forum?

01:37:45 24 A. Yes.

01:37:49 25 Q. Were you -- your post is flagged as a

01:37:52 1 popular post. Does this mean it's been reposted or
01:37:56 2 liked with a high frequency?

01:37:59 3 MR. HORTON: Objection to form.

01:38:00 4 A. I don't know. I don't know what that
01:38:01 5 means.

01:38:03 6 Q. Were you responding to a specific question
01:38:06 7 in the thread?

01:38:11 8 A. I don't -- I don't think so.

01:38:33 9 Q. Is the thread about XRP price movements?

01:38:47 10 A. I don't think that the title is -- is
01:38:49 11 "Miguel Vias and XRP Chat."

01:38:53 12 Q. Okay. And the second page, page 3 of 8, on
01:38:57 13 the bottom, there's a question. It says, Can you
01:39:00 14 shed any light on why the price of XRP is sitting
01:39:02 15 between 16 and 19 cents for so long, despite all the
01:39:07 16 great news?

01:39:15 17 Are you responding to that question?

01:39:22 18 MS. COWAN: Objection.

01:39:23 19 A. I don't remember.

01:39:27 20 Q. Going to your post, why did you make this
01:39:39 21 post?

01:39:42 22 MR. HORTON: Sorry, Counsel, which page are
01:39:43 23 you referring to?

01:39:45 24 MS. WAXMAN: Page 6 of 8.

01:39:46 25 Q. Your post on the bottom of 6.

01:39:48 1 A. I don't remember.

01:39:53 2 Q. You write, Fits and starts, guys. There's
01:39:55 3 a lot of noise out there, so I understand it can be
01:39:57 4 frustrating and confusing.

01:40:00 5 What can be frustrating and confusing?

01:40:04 6 A. I don't know.

01:40:05 7 Q. Are you talking about the changes in XRP's
01:40:11 8 price?

01:40:12 9 MR. HORTON: Object to form.

01:40:14 10 A. I don't know.

01:40:23 11 Q. What can be -- what can be frustrating and
01:40:25 12 confusing?

01:40:26 13 MR. HORTON: Objection. Asked and
01:40:26 14 answered.

01:40:26 15 A. I said, There's a lot of noise out there.
01:40:29 16 And I don't remember what I'm referring.

01:40:32 17 Q. When you talk about noise, generally, are
01:40:34 18 you talking about the markets? Noise in the market?

01:40:38 19 MR. HORTON: Objection to form.

01:40:46 20 A. What do you mean by "noise in the market"?

01:40:52 21 Q. Extra -- extraneous commentary. That could
01:40:57 22 affect the market.

01:41:05 23 A. I really don't know what I meant by this.

01:41:07 24 Q. You write, Our path was never going to be a
01:41:09 25 short one. We work with enterprises, so the pace is

01:41:14 1 slower but the payoff will be worth it.

01:41:17 2 Are you talking about a payoff in terms of
01:41:24 3 increasing XRP's price?

01:41:27 4 MR. HORTON: Objection to form.

01:41:31 5 A. Don't know.

01:41:32 6 Q. What are you talking about when you say
01:41:33 7 "the payoff will be worth it"?

01:41:37 8 A. I mean, there I'm specifically referencing
01:41:42 9 the facts that we work with companies. It's hard to
01:41:44 10 bring companies along, you know, and adopt new
01:41:47 11 products, particularly when they're involved in
01:41:49 12 crypto. But that once you achieve that, that's a --
01:42:00 13 it's kind of a paradigm-shifting thing, at least
01:42:03 14 that's way we viewed it. The technology was so
01:42:05 15 powerful that you could fundamentally change the way
01:42:09 16 financial plumbing worked. It seems like a pretty
01:42:14 17 big payoff.

01:42:17 18 Q. How would that adoption affect traders and
01:42:20 19 speculators?

01:42:23 20 MR. HORTON: Objection to form.

01:42:27 21 A. I don't know that it would.

01:42:30 22 Q. Did Ripple publicly state that more
01:42:36 23 adoption would lead to an increase in value of XRP?

01:42:40 24 MR. HORTON: Objection to form.

01:42:43 25 A. I don't -- more adoption.

01:42:48 1 I don't think so.

01:42:51 2 Q. Did Ripple tell XRP holders that it would
01:42:55 3 work to increase the demand for XRP?

01:43:02 4 MR. HORTON: Objection to form.

01:43:03 5 A. Not that I know of.

01:43:08 6 Q. After you say -- you then go on to say,
01:43:10 7 What I would say, it's a little disappointing to hear
01:43:14 8 complaints about XRP not appreciating fast enough.

01:43:17 9 Are you talking about XRP price not
01:43:20 10 appreciating fast enough?

01:43:21 11 A. Yes.

01:43:28 12 Q. Then you go own to say, Our vision is --
01:43:32 13 couple sentences down, you say, Our vision is
01:43:36 14 literally world-changing and the last thing we are
01:43:39 15 worried about is price going up.

01:43:41 16 Then you write, That's a forgone conclusion
01:43:44 17 if we continue to focus on the work, which is exactly
01:43:47 18 what we're doing.

01:43:50 19 When you say "that's a forgone conclusion,"
01:43:51 20 are you talking about XRP's price going up?

01:43:55 21 A. Yes.

01:43:57 22 Q. Did you represent that XRP's price would go
01:43:59 23 up if Ripple would continue to work -- continue to do
01:44:03 24 the work that it's doing?

01:44:05 25 MR. HORTON: Objection to form.

01:44:08 1 A. I think it is important to -- kind of --
01:44:11 2 double back a little bit on what I said before, about
01:44:14 3 unsticking XRP. It's kind of off in this little
01:44:19 4 corner, not really part of crypto. I think
01:44:23 5 overlaying all of this is a -- like a strong belief
01:44:26 6 that crypto was going to be a thing. Remember, this
01:44:29 7 is -- when? -- August of '17. Bitcoin had that first
01:44:35 8 move. We still don't have [REDACTED] in Ethereum.
01:44:42 9 It was early still.

01:44:45 10 And I think even at this point, I still had
01:44:50 11 some concerns around -- because, you know, there have
01:44:52 12 been -- previous to my joining, there have been a lot
01:44:55 13 of twists and turns around the product strategy. And
01:44:59 14 I think we're making good progress around making XRP
01:45:03 15 used where everything else that crypto existed on
01:45:08 16 was, but there was still risk.

01:45:12 17 So I read this now and I say to myself,
01:45:20 18 Well, you know, as long as we continue to do the
01:45:24 19 things that we were doing in the first half of that
01:45:26 20 year, with the big assumption that crypto continues
01:45:30 21 to grow, then XRP is going to be fine. We're not
01:45:34 22 going to be the thing that hurts XRP.

01:45:48 23 Q. But weren't you saying that you would
01:45:49 24 continue to work to increase the value of XRP?

01:45:52 25 MR. HORTON: Objection to form.

01:45:56 1 A. No.

01:46:01 2 I think I quite literally said, I'm not
01:46:02 3 worried about the price. I also --

01:46:07 4 Q. You said that's a forgone conclusion.

01:46:11 5 MR. HORTON: Objection.

01:46:13 6 Q. Continue.

01:46:14 7 MR. HORTON: I'm sorry, is there a question
01:46:15 8 pending?

01:46:27 9 Q. On the second page of the document, you
01:46:29 10 made a post that says, I'm always watching.

01:46:33 11 A. Yeah.

01:46:34 12 Q. Why did you write that?

01:46:35 13 A. I was just being funny. I mean, the title
01:46:39 14 of the -- of the post is, you know, is Miguel --
01:46:41 15 because I think -- and this is trying to go back
01:46:45 16 quite a bit now, but -- I think I'd been more active
01:46:49 17 when I first joined, and then I stopped being active.
01:46:51 18 I wasn't as active anymore. And I think that's what
01:46:53 19 the question is really asking, is are you still on
01:46:56 20 XRP Chat.

01:47:03 21 Q. I would like to show you what's been marked
01:47:05 22 as Exhibit MV 119.

01:47:07 23 (Email from Mr. Vias, re: XRP's Recent
01:47:07 24 Performance, Bates 0353469, was marked MV
01:47:07 25 Exhibit 119 for identification, as of this

01:47:07 1 date.)

01:47:12 2 MR. TENREIRO: Nicole, I'm going to send it
01:47:13 3 now, 119.

01:47:22 4 MS. WAXMAN: 119 is a document with the
01:47:23 5 Bates 0353469.

01:47:30 6 MR. TENREIRO: Sorry. There's more copies
01:47:31 7 here. I'll send it to the ...

01:48:12 8 (Witness reviewing document.)

01:49:08 9 A. Okay.

01:49:12 10 Q. Do you recall sending this email?

01:49:13 11 A. I do not.

01:49:16 12 Q. Any reason to believe you didn't send it?

01:49:18 13 A. No.

01:49:21 14 Q. What is this email about?

01:49:34 15 A. Do you mean why did I send it in?

01:49:36 16 Q. Why did you send it?

01:49:38 17 A. I don't remember.

01:49:39 18 Q. Were you concerned that XRP was not part of
01:49:40 19 a recent price rally?

01:49:42 20 MR. HORTON: Objection to form.

01:49:45 21 A. I don't remember.

01:49:52 22 Q. Did you have any understanding or any
01:49:54 23 belief as to why XRP was not part of the recent price
01:49:57 24 rally?

01:49:58 25 MR. HORTON: Objection to form.

01:50:01 1 A. Discuss it a little bit in the email.

01:50:03 2 Q. And what did you say?

01:50:11 3 A. Kind of goes back to the things I've been
01:50:13 4 saying -- I've said few times already.

01:50:20 5 This is January 4, 2017, so about six weeks
01:50:23 6 after I've joined now. And it's just -- it's
01:50:27 7 becoming more and more clear to me that XRP isn't
01:50:31 8 really a part of crypto yet.

01:50:35 9 Q. Well, you write, XRP is not significantly
01:50:38 10 listed on off-ledger exchanges. It does not have
01:50:41 11 adequate wallet support. Markets do not view it as
01:50:45 12 truly decentralized. And they distrust it because so
01:50:49 13 much of it is in so few hands.

01:50:52 14 Were those the reasons why you thought XRP
01:50:56 15 was not included in the recent rally?

01:50:58 16 MR. HORTON: Objection to form.

01:51:03 17 A. What it says on the page.

01:51:11 18 Q. What do you mean by "markets do not view it
01:51:12 19 as truly decentralized"?

01:51:19 20 A. Yeah, at the time, there was a -- kind of
01:51:22 21 more FUD around the holdings being centralized, as
01:51:31 22 well as the network.

01:51:34 23 Q. And why was the network not truly
01:51:38 24 decentralized?

01:51:40 25 MR. HORTON: Objection to form.

01:51:52 1 A. So are you asking me why? Or why people
01:51:54 2 thought? I don't know.

01:51:56 3 Q. Well, why did people think that the markets
01:51:58 4 were not -- that the ledger wasn't decentralized?

01:52:03 5 MR. HORTON: Objection to form.

01:52:03 6 A. Yeah, I -- I know it had to do with the
01:52:08 7 validator makeup, but I don't remember the specifics.

01:52:10 8 Q. Did Ripple control the majority of
01:52:13 9 validators on the XRP ledger in January 2017?

01:52:17 10 MR. HORTON: Objection to form.

01:52:25 11 A. I don't know.

01:52:28 12 Yeah, I don't know.

01:52:29 13 Q. Did Ripple control the majority of XRP
01:52:32 14 holdings in January 2017?

01:52:35 15 MR. HORTON: Objection to form. Lack of
01:52:36 16 foundation.

01:52:41 17 A. I think so. Yeah. I think -- I think it
01:52:44 18 was around 60 billion at the time.

01:52:56 19 Q. Did you recommend that Ripple be more
01:53:01 20 proactive about XRP in its marketing?

01:53:06 21 MR. HORTON: Objection to form.

01:53:18 22 A. Are you referencing something in the
01:53:19 23 document?

01:53:22 24 Q. You write, Our long-term strategy involves
01:53:25 25 inserting XRP into Ripple and having the world run

01:53:27 1 payments through XRP. Even if that doesn't happen,
01:53:31 2 because the banks never get comfortable with XRP,
01:53:34 3 that message is clear and powerful. It means XRP has
01:53:38 4 the potential to be the institutional digital asset
01:53:42 5 standard bearer for legitimate global value transfer.

01:53:49 6 Then you continue to write, We need to make
01:53:52 7 sure the world knows it. I understand there are
01:53:56 8 sensitivities around this type of messaging.

01:53:59 9 What sensitivities are you talking about?

01:54:04 10 A. I don't remember.

01:54:06 11 Q. What messaging were you talking about?

01:54:15 12 A. I mean just putting XRP back in the overall
01:54:22 13 company narrative.

01:54:26 14 Q. How would you do that?

01:54:29 15 MR. HORTON: Objection to form.

01:54:33 16 A. I don't know.

01:54:35 17 I don't know.

01:54:39 18 Q. Did you make any recommendations how to put
01:54:41 19 XRP back into the company narrative?

01:54:43 20 MR. HORTON: Objection to form.

01:54:45 21 A. I don't remember.

01:54:51 22 Q. Did you recommend that Ripple specifically
01:54:53 23 promote XRP?

01:54:55 24 MR. HORTON: Objection to form.

01:55:03 25 A. Sorry, promote how?

01:55:06 1 Q. Did you recommend that Ripple promote XRP
01:55:09 2 as an investment?

01:55:11 3 MR. HORTON: Objection to form. Lack of
01:55:13 4 foundation.

01:55:13 5 A. No.

01:55:15 6 Q. Did you recommend that Ripple promote XRP,
01:55:18 7 for any reason?

01:55:20 8 MR. HORTON: Objection to form.

01:55:21 9 A. Not that I remember.

01:55:36 10 Q. At the very last paragraph, you write, I
01:55:39 11 intended it to be market commentary, but the more I
01:55:42 12 thought about it, the clearer it became that, while
01:55:45 13 important, market activity is not the primary driver
01:55:48 14 of XRP's underperformance. XRP is not performing
01:55:54 15 because we have work to do and that should be our
01:55:57 16 focus.

01:55:58 17 If -- then you write, If we execute, and we
01:56:01 18 will, I have no doubt that markets will recognize the
01:56:03 19 value of XRP.

01:56:04 20 You believe that Ripple's efforts in the
01:56:10 21 above areas would lead to XRP's increased value?

01:56:13 22 MR. HORTON: Objection to form.

01:56:25 23 A. January 4, 2017, it's hard to even -- to
01:56:30 24 really think that XRP was part of crypto markets.

01:56:34 25 My job was head of XRP markets. My job was

01:56:38 1 to make sure that XRP became as liquid as possible.
01:56:45 2 All of the activity at the time revolved around this
01:56:50 3 Bitcoin and Ethereum. And my job was to make sure
01:56:54 4 that we put XRP basically everywhere, at least
01:56:57 5 initially, as a -- just a -- basic goal, where crypto
01:57:01 6 lives.

01:57:02 7 XRP wasn't rallying; the same reason that
01:57:06 8 it wasn't going down when these other markets were
01:57:08 9 going down. It just wasn't part of crypto.

01:57:11 10 Q. So your job was to put XRP on the map in
01:57:13 11 January 2017.

01:57:15 12 MR. HORTON: Objection to form.

01:57:18 13 A. No maps. No maps. But -- we wanted to get
01:57:25 14 to a place -- this was my basic thesis: If, at some
01:57:30 15 point, you want to end up with a real enterprise
01:57:33 16 software product, using underlying crypto liquidity
01:57:38 17 through XRP, there was no way you were going to get
01:57:42 18 to that point without basically -- letting the
01:57:47 19 tailwinds of the rest of crypto push you along. It
01:57:50 20 was just too hard.

01:57:52 21 All of this work on the protocol was
01:57:54 22 just -- it wasn't working. So when I say we have
01:57:59 23 work to do, I'm pretty clearly saying, like, my team
01:58:03 24 has work to do. I call it out. I call out almost
01:58:06 25 everything that I think my team has to do.

01:58:08 1 Q. What are those things that you're calling
01:58:10 2 out?

01:58:11 3 MR. HORTON: Objection to form.

01:58:13 4 A. Eight to ten exchanges, MOPs used to run
01:58:17 5 payments through the exchanges. I mean, even here,
01:58:20 6 right, this is January of '17. We haven't even drawn
01:58:24 7 up xRapid already yet. But we're already trying to
01:58:29 8 talk about the use case, kind of off the protocol.

01:58:36 9 Q. In January 2017, were you trying to create
01:58:50 10 a market for XRP?

01:58:52 11 MR. HORTON: Objection to form.

01:58:54 12 A. No. The market existed. It's just small.

01:58:58 13 Q. You were trying to grow the market.

01:59:02 14 MR. HORTON: Objection.

01:59:03 15 A. Yes.

01:59:10 16 MS. WAXMAN: Exhibit 21.

01:59:11 17 (Email re: Ripple Media Tracking 3.24.17,
01:59:11 18 Bates 0461956 to -59, was marked MV Exhibit 21
01:59:11 19 for identification, as of this date.)

02:00:14 20 (Witness reviewing document.)

02:02:27 21 A. Okay.

02:02:38 22 Q. Did Ripple's marketing department ask you
02:02:40 23 to promote XRP on social media?

02:02:42 24 MR. HORTON: Objection to form.

02:02:49 25 A. I don't remember.

02:02:50 1 Q. Did they ask you to tweet about XRP price
02:02:53 2 increases?

02:02:55 3 MR. HORTON: Objection to form.

02:02:59 4 A. I don't think so.

02:03:00 5 Q. Are they asking you to do that in this
02:03:03 6 email?

02:03:05 7 MR. HORTON: Objection to form.

02:03:13 8 A. No.

02:03:16 9 Q. Did marketing ask you to ask Ripple
02:03:18 10 partners and others to publicize and tweet about XRP?

02:03:23 11 MR. HORTON: Objection to form.

02:03:27 12 A. In this email?

02:03:28 13 Q. In this email, and outside of this email.

02:03:32 14 A. I don't remember outside the email.

02:03:36 15 Q. Did they do that in this email?

02:03:43 16 A. In this email, Monica is reaching out it
02:03:48 17 Patrick and myself, and asking, suggesting some
02:03:56 18 possible tweets, and whether or not some of our
02:03:58 19 partners might be willing to retweet them.

02:04:01 20 Q. And did they suggest tweets about XRP's
02:04:03 21 price increase?

02:04:06 22 MR. HORTON: Objection to form.

02:04:12 23 A. I mean, there's three bullet points here.
02:04:14 24 They all have something to do with the price of XRP.

02:04:20 25 Q. When you say "something to do with the

02:04:22 1 price of XRP," does it have to do with the price of
02:04:25 2 XRP increasing?

02:04:26 3 MR. HORTON: Objection to form.

02:04:28 4 A. Yes.

02:04:30 5 Q. And why did they want you to ask Ripple
02:04:33 6 partners to tweet about XRP's price increase?

02:04:37 7 MR. HORTON: Objection to form.

02:04:39 8 A. I don't know.

02:04:43 9 Q. Did Brad endorse the idea?

02:04:47 10 MR. HORTON: Objection to form.

02:05:02 11 Q. In the middle of the email he says, Love
02:05:03 12 the idea.

02:05:04 13 Did he endorse it?

02:05:06 14 MS. COWAN: Objection to the form.

02:05:07 15 A. It sounds like endorsement.

02:05:08 16 Q. Okay. Do you recall this -- do you recall
02:05:12 17 this request from marketing outside of this email?

02:05:15 18 A. I don't.

02:05:18 19 MS. COWAN: Objection to form.

02:05:18 20 Q. Outside of this email, did Brad endorse
02:05:24 21 this idea about promoting XRP on social media?

02:05:29 22 MR. HORTON: Objection to form.

02:05:30 23 A. I don't know.

02:05:34 24 MS. WAXMAN: Exhibit 24, please.

02:05:35 25 (Email re: Commitment on XRP for

02:05:35 1 CoinTelegraph?, Bates [REDACTED] 0057043, was marked
02:05:35 2 MV Exhibit 24 for identification, as of this
02:05:35 3 date.)

02:06:05 4 (Witness reviewing document.)

02:07:06 5 A. Okay.

02:07:07 6 Q. Do you recall this email?

02:07:08 7 A. I don't.

02:07:09 8 Q. Who is [REDACTED]

02:07:14 9 A. [REDACTED] -- I think she's -- I think she

02:07:21 10 still works at Ripple. I don't know in which

02:07:24 11 capacity. At the time, she was -- she worked at [REDACTED]

02:07:27 12 [REDACTED], and she was our primary point of

02:07:30 13 contact there, our account manager, whatever.

02:07:32 14 Q. What is [REDACTED]

02:07:37 15 MR. HORTON: Objection to form.

02:07:39 16 A. I'm not exactly sure.

02:07:41 17 Q. Was [REDACTED] Ripple's PR firm?

02:07:45 18 MR. HORTON: Objection to form.

02:07:51 19 A. I -- I would -- I don't know what [REDACTED]

02:07:53 20 [REDACTED] does.

02:07:55 21 Q. Why would [REDACTED] reach out to you?

02:08:00 22 MR. HORTON: Objection.

02:08:03 23 A. Yeah, I -- what I'm reacting to, I'm not

02:08:06 24 sure if they're PR, marketing. I'm not even exactly

02:08:09 25 sure how to couch them. They help with marketing

02:08:11 1

stuff.

02:08:11 2

Q. Okay. So either marketing --

02:08:14 3

A. Or PR.

02:08:16 4

Q. Did [REDACTED] ask you to comment on a recent

02:08:20 5

surge in XRP's price?

02:08:23 6

MR. HORTON: Objection to form.

02:08:39 7

A. It seems, yeah, somebody reached out to

02:08:41 8

[REDACTED] from Cointelegraph asking questions about the

02:08:45 9

price of XRP rallying. And she wanted to get back to

02:08:50 10

them. She was suggesting some language and asking me

02:08:53 11

for my opinion.

02:08:53 12

Q. And did you believe that Ripple's

02:08:55 13

announcements had caused an increase in XRP price?

02:08:59 14

MR. HORTON: Objection to form.

02:09:01 15

A. I don't remember.

02:09:03 16

Q. You write, While the recent surge in XRP is

02:09:07 17

certainly influenced by Bitcoin scalability issues,

02:09:11 18

clearly much of the recent momentum is due to the

02:09:17 19

announcement that [REDACTED] join Ripple's steering group

02:09:22 20

[REDACTED]

02:09:25 21

Did you write that Ripple's news had an

02:09:29 22

impact on XRP price?

02:09:32 23

MR. HORTON: Objection.

02:09:37 24

A. That's what I wrote, yeah.

02:09:38 25

Q. Did others at Ripple share that view as

02:09:40 1 well?

02:09:41 2 MR. HORTON: Objection to form.

02:09:43 3 A. I don't remember.

02:09:51 4 MS. WAXMAN: Exhibit 25.

02:09:51 5 (Email re: [REDACTED] Bates Stamp Numbers
02:09:51 6 0511391 through -392, was marked MV Exhibit 25
02:09:51 7 for identification, as of this date.)

02:10:13 8 Q. Mr. Vias, I'm showing you what's been
02:10:15 9 marked Exhibit MV 25, which has the Bates Stamp
02:10:18 10 Numbers 0511391 through -392.

02:10:53 11 (Witness reviewing document.)

02:11:12 12 Q. Do you recall this -- tell me when you're
02:11:15 13 done reading it.

02:11:20 14 (Witness reviewing document.)

02:11:26 15 A. Okay. I'm ready.

02:11:29 16 Q. Who is [REDACTED]

02:11:35 17 A. I don't know of what [REDACTED] does now. At
02:11:38 18 the time [REDACTED] -- hmm.

02:11:43 19 I don't know if [REDACTED] was still at the
02:11:45 20 company when he sent me this email.

02:11:48 21 Q. Did he used to work at Ripple?

02:11:49 22 A. He did, yeah. He used to be the head of
02:11:51 23 Ripple D.

02:11:52 24 Q. What is Ripple D?

02:11:53 25 A. Ripple D is the team that works on the

02:11:57 1 protocol.

02:11:59 2 Q. An engineer?

02:11:59 3 A. Yes. A head of engineering for the
02:12:02 4 protocol.

02:12:03 5 Q. Now, on the second page, the paragraph that
02:12:08 6 says, You have to fix those relationships that the
02:12:11 7 leadership poorly managed or didn't manage at all, is
02:12:15 8 that what you wrote or is that what [REDACTED] wrote?

02:12:23 9 MR. HORTON: Objection to form.

02:12:53 10 A. It's -- just from reading the email it's
02:12:55 11 not clear, because it -- it seems like [REDACTED] wrote
02:13:00 12 something and then it says that I wrote something.
02:13:02 13 But it sounds like he nested -- my response -- I
02:13:09 14 don't -- it's super confusing. I'm not sure.

02:13:11 15 It sounds like he wrote it, though.

02:13:13 16 Q. Do you know when he -- if he wrote it, do
02:13:14 17 you know what he's talking about?

02:13:16 18 MR. HORTON: Objection to form.

02:13:22 19 A. If he wrote it, it would be on what's on
02:13:24 20 the email. No.

02:13:29 21 Q. In the middle of the email, at 4:34, he
02:13:39 22 writes to you regarding XRP trading. He says, We
02:13:42 23 both know that this XRP pump is speculative.

02:13:45 24 Is he talking about trading by XRP
02:13:53 25 speculators?

02:13:54 1 MR. HORTON: Objection to form.

02:13:56 2 A. I think [REDACTED] is saying that he thinks
02:13:58 3 that the run-up in XRP was caused by speculation.

02:14:05 4 Q. And did you agree with him?

02:14:09 5 Or what are you agreeing with in your
02:14:11 6 email?

02:14:13 7 MR. HORTON: Objection to form.

02:14:14 8 A. Well, [REDACTED] was a -- [REDACTED] was a colorful
02:14:23 9 guy. He is a colorful guy. I'm guessing he's still
02:14:27 10 around.

02:14:28 11 So it was always better just to agree with
02:14:30 12 [REDACTED] If not, you could get into, like, a really
02:14:32 13 long, drawn-out conversation as to why he was right
02:14:37 14 and you were wrong.

02:14:37 15 So I'm just agreeing with [REDACTED] Yes,
02:14:40 16 sir, kind of thing.

02:14:41 17 Q. Did you agree with the statement he was
02:14:42 18 saying, or were you just agreeing to agree?

02:14:44 19 A. I don't remember. I think I was just
02:14:46 20 agreeing to agree.

02:14:48 21 Q. At the top of the very top email, at the
02:14:55 22 very top, he makes a recommendation regarding XRP.
02:15:04 23 What is he recommending?

02:15:06 24 MR. HORTON: Objection to form.

02:15:18 25 A. I'm not -- I'm not entirely sure.

02:15:25 1 I don't know what he means by
02:15:26 2 "impressions."

02:15:32 3 Q. Is he recommending that Ripple do more to
02:15:35 4 promote XRP as an investment to speculators?

02:15:39 5 MR. HORTON: Objection to form.

02:15:43 6 A. I think he's recommending that Ripple use
02:15:45 7 these websites somehow to promote XRP.

02:15:54 8 Q. And then you write, I think you'll see
02:15:55 9 something like that soon, [REDACTED] Just takes a while.
02:15:59 10 Monica is fully -- all caps -- on board right now
02:16:02 11 with promoting XRP.

02:16:14 12 Why did you write "Monica is fully on board
02:16:17 13 right now"?

02:16:19 14 A. So I think I mentioned, I think [REDACTED] is
02:16:22 15 gone at this point. It's why he's emailing from his
02:16:24 16 Gmail account. And he's -- you know, [REDACTED] and the
02:16:27 17 marketing team -- this predated me. But, you know,
02:16:35 18 he certainly was not shy about letting me know, like,
02:16:37 19 how much he had argued with the marketing team.

02:16:39 20 And, again, [REDACTED] is an argumentative guy,
02:16:43 21 so it could be for a host of reasons. But here he's
02:16:50 22 complaining again that whatever marketing is not
02:16:52 23 doing what he thinks marketing should be doing. And
02:16:54 24 honestly, just to kind of placate him, I'm saying,
02:16:58 25 Hey, you know, don't worry about it. Monica is fully

02:17:01 1 on board. Like, things are going to change. We're
02:17:02 2 going to make you happy, [REDACTED]

02:17:04 3 Basically what I'm saying.

02:17:05 4 Q. Was Monica not fully on board with
02:17:08 5 promoting XRP?

02:17:09 6 MR. HORTON: Objection to form.

02:17:18 7 A. I mean, I don't remember whether she was on
02:17:20 8 board with something, like what he was saying. I
02:17:22 9 don't think so.

02:17:22 10 I think when I say she's "fully on board,"
02:17:25 11 I mean more around like -- we kind of moved beyond
02:17:32 12 the moment where XRP just didn't show up in the
02:17:36 13 narrative of the company anymore, which is what he
02:17:38 14 used to feel.

02:17:42 15 Q. So Monica, in March 2017, was including XRP
02:17:50 16 as part of the company's narrative?

02:17:53 17 MR. HORTON: Objection to form.

02:17:54 18 A. I don't remember.

02:18:04 19 Q. At the bottom of -- in the middle of the
02:18:07 20 bottom page, you say there are some ideological
02:18:11 21 differences.

02:18:12 22 What are you talking about there?

02:18:19 23 A. Oh.

02:18:21 24 Again, if -- if [REDACTED] wrote kind of this
02:18:23 25 piece here, I think I'm responding to his idea around

02:18:34 1 befriending Poloniex and Bitfinex, and getting closer
02:18:39 2 to them from a relationship perspective.

02:18:45 3 MS. WAXMAN: Exhibit 11.

02:18:46 4 (Forwarded email re: Hola!, Bates Stamp
02:18:46 5 0763288, was marked MV Exhibit 11 for
02:18:46 6 identification, as of this date.)

02:19:02 7 Q. Mr. Vias, I'm showing you what's been
02:19:03 8 marked as Exhibit MV 11, which begins with the Bates
02:19:08 9 Stamp 0763288.

02:19:38 10 (Witness reviewing document.)

02:24:16 11 A. Okay.

02:24:18 12 Q. Who is [REDACTED]

02:24:25 13 A. [REDACTED] is a dentist in Portugal.

02:24:29 14 Q. Was [REDACTED] an investor in XRP?

02:24:34 15 MS. COWAN: Objection.

02:24:35 16 MR. HORTON: Objection to form.

02:24:35 17 A. From this email, if I remember correctly,
02:24:37 18 [REDACTED] owned XRP, yes.

02:24:39 19 Q. He was interested in profiting from an
02:24:40 20 increase in XRP price?

02:24:42 21 MR. HORTON: Objection to form.

02:24:43 22 A. Yes.

02:24:46 23 Q. And he was relying on Ripple to make XRP
02:24:50 24 increase in price?

02:24:51 25 MR. HORTON: Objection to form.

02:25:01 1 A. I don't know what [REDACTED] was relying on.

02:25:07 2 Q. Did you tell [REDACTED] Ripple's efforts would
02:25:10 3 lead to an increase in XRP price?

02:25:13 4 MR. HORTON: Objection to form.

02:25:13 5 A. Not that I remember, no.

02:25:17 6 Q. Did -- [REDACTED] never intended to use XRP,
02:25:20 7 right?

02:25:21 8 MR. HORTON: Objection to form.

02:25:22 9 A. I don't know.

02:25:34 10 Q. Did he ever tell you that he wanted to use
02:25:36 11 XRP?

02:25:41 12 A. I don't think so.

02:25:43 13 Q. In the body of the email, he talks about
02:25:45 14 his investment in XRP. Correct?

02:25:49 15 A. Yes.

02:25:52 16 Q. And he talks about how much he believes in
02:25:55 17 Ripple. Correct?

02:25:58 18 MR. HORTON: Objection to form.

02:26:04 19 Q. Why did you forward [REDACTED]'s email to Chris
02:26:07 20 Larsen?

02:26:12 21 A. I don't remember.

02:26:21 22 Q. Did you communicate with any other retail
02:26:23 23 XRP investors?

02:26:24 24 MR. HORTON: Objection to form.

02:26:24 25 A. Not that I remember.

02:26:31 1 Q. By this time, were retail investors
02:26:35 2 interested in buying XRP?
02:26:39 3 MR. HORTON: Objection to form.
02:26:40 4 A. I don't know.
02:26:46 5 MS. WAXMAN: Exhibit 12, please.
02:26:46 6 (Email re: Hola!, Bates 0360469, was marked
02:26:46 7 MV Exhibit 12 for identification, as of this
02:26:46 8 date.)
02:27:02 9 Q. Showing you what's been marked as
02:27:04 10 Exhibit MV 12, which begins with Bates 0360469.
02:27:43 11 (Witness reviewing document.)
02:29:21 12 A. Okay.
02:29:22 13 Q. What is MV 12?
02:29:27 14 A. It's my response to [REDACTED] email.
02:29:33 15 Q. And in his email, did he indicate -- in
02:29:37 16 MV 11, did he indicate that he was frustrated with
02:29:42 17 XRP price?
02:29:43 18 MR. HORTON: Objection to form.
02:29:44 19 (Witness reviewing document.)
02:30:59 20 A. I don't know that.
02:30:59 21 I'm trying to find it if it's in here, but
02:31:08 22 I can't find it.
02:31:10 23 Q. At the bottom of the page that has the
02:31:12 24 Bates Stamp 0360470.
02:31:15 25 A. Uh-huh.

02:31:15 1 Q. The last paragraph says, Of course, pass
02:31:18 2 this whole time. At this point, I'm a bit frustrated
02:31:20 3 with the price.

02:31:30 4 A. The top there.
02:31:30 5 Yeah, it looks like he was frustrated with
02:31:32 6 the price.

02:31:33 7 Q. And then in the paragraph above it, toward
02:31:37 8 the end, he says, I had my first child six months
02:31:40 9 ago, and I'm now considering what to do about my
02:31:42 10 position.

02:31:47 11 Is he asking you whether he should hold or
02:31:50 12 sell?

02:31:52 13 MR. HORTON: Objection.

02:31:53 14 A. I don't think he's asking anything.

02:32:05 15 Q. Did anyone at the company ever tell you how
02:32:07 16 to respond to someone who is asking about their
02:32:09 17 investment?

02:32:11 18 MR. HORTON: Objection to form.

02:32:16 19 A. Did anybody in the company ever ask me how
02:32:20 20 to respond if someone had questions around what they
02:32:22 21 should do with their XRP holdings?

02:32:27 22 Q. Yes.

02:32:27 23 A. No.

02:32:28 24 Q. Did you tell [REDACTED] in response to his
02:32:31 25 email that you believe Ripple's efforts would lead to

02:32:33 1 an increase in XRP value?

02:32:37 2 MR. HORTON: Objection.

02:32:44 3 A. No, I don't think so.

02:32:48 4 Q. In the middle of the first paragraph, on
02:32:51 5 the very first page, you wrote -- you write, The team
02:32:55 6 is so strong, [REDACTED] They work so hard and are so
02:32:59 7 smart, sometimes it feels like there is no way we can
02:33:02 8 lose.

02:33:02 9 What are you talking about when you say
02:33:04 10 "there is no way we can lose"?

02:33:12 11 A. There's no way we won't be successful.

02:33:15 12 Q. Then towards the end, in the middle of the
02:33:18 13 page, you say, As for price, [REDACTED] I have no idea
02:33:22 14 in the short to medium term. The truth is our market
02:33:26 15 is too small right now to have a good sense of where
02:33:29 16 the price is going in the short term. What I can
02:33:33 17 tell you is that if we execute this year, I will be
02:33:36 18 really surprised if the price stays where it is.

02:33:40 19 Were you communicating in this email that
02:33:42 20 you believe the price would increase based on what
02:33:45 21 Ripple was doing?

02:33:46 22 MR. HORTON: Objection to form.

02:33:51 23 A. I've said this a few times now, but -- it's
02:33:54 24 always important to couch these things within the
02:33:57 25 context of a broader crypto market. You couldn't

02:34:02 1 help but be bullish crypto, if you were in crypto.
02:34:06 2 Otherwise, what's the point of being in crypto, in
02:34:08 3 some respects.

02:34:10 4 And I -- I mention it here, that the market
02:34:13 5 was so small, it wasn't on any exchanges. I can't
02:34:16 6 remember if this is before or after the time I wrote
02:34:18 7 the email where I was like, Crypto rallied. He did
02:34:22 8 nothing because he wasn't part of crypto.

02:34:26 9 So when I read these emails, it kind of --
02:34:30 10 immediately takes me back to just how nascent, and
02:34:36 11 barren in some respects, you know, the overall
02:34:40 12 liquidity pool was and how little connected that
02:34:43 13 liquidity pool was to the rest of it.

02:34:51 14 Q. Did you represent to [REDACTED] that you felt
02:34:53 15 that there was a lot of potential for XRP?

02:34:55 16 MR. HORTON: Objection to form.

02:35:04 17 A. I -- I don't see that here.

02:35:09 18 Q. Well, you write, What I can tell you is
02:35:11 19 that, if we execute this year, I will be really
02:35:14 20 surprised if the price stays where it is.

02:35:17 21 So are you saying that if Ripple executes
02:35:21 22 on certain initiatives, the price will increase?

02:35:26 23 MR. HORTON: Objection to form.

02:35:33 24 A. There's more context here, which I think is
02:35:35 25 important.

02:35:39 1 So if you look at the end of [REDACTED] email
02:35:52 2 where he says, Large transfers made by [REDACTED],
02:35:56 3 dumping on Poloniex, yadda, yadda. I think at this
02:36:03 4 point, this was the lowest the price had been for a
02:36:06 5 long time. I can't remember exactly. But there had
02:36:09 6 been some large sales in the market.

02:36:11 7 And as I'm thinking through this now, I'm
02:36:14 8 remembering a little bit. Yeah, I think it was
02:36:17 9 the -- I think the lowest it had been in, like, three
02:36:20 10 or four years.

02:36:26 11 So I -- I'm -- I'm certainly not -- I'm not
02:36:31 12 communicating that the price is going to go any
02:36:36 13 lower.

02:36:38 14 All I'm saying is I'd be surprised if it
02:36:41 15 stays where it is.

02:36:43 16 Q. Because of everything that Ripple was
02:36:45 17 doing?

02:36:50 18 MR. HORTON: Objection.

02:36:50 19 A. I think, in general, it was unlikely to
02:36:52 20 stay that low.

02:36:53 21 Q. Why?

02:36:54 22 A. Because that was the lowest it had been in
02:36:56 23 years.

02:36:56 24 Q. Well, what was the price in 2017 -- at this
02:37:01 25 point?

02:37:02 1 A. I think -- I think in February, it got down
02:37:03 2 to 4 tenths of a penny, 4 1/2 tenths of a penny,
02:37:08 3 something like that, which I know -- you know, now we
02:37:10 4 say 6 1/2 tenths of a penny versus 4 1/2 tenths of a
02:37:10 5 penny doesn't feel like much, but that's a 33 percent
02:37:14 6 dip.

02:37:26 7 MS. WAXMAN: Exhibit 40.

02:37:28 8 (Email re: XRP Markets Update, Bates
02:37:28 9 0032680 to -81, was marked MV Exhibit 40 for
02:37:28 10 identification, as of this date.)

02:37:55 11 (Witness reviewing document.)

02:39:10 12 Q. Do you recall this email?

02:39:13 13 A. I do not.

02:39:14 14 Q. The bottom email, why did you send this
02:39:22 15 email?

02:39:25 16 MR. HORTON: Objection.

02:39:28 17 A. I don't remember.

02:39:32 18 Q. Did you send this email to a distribution
02:39:34 19 list?

02:39:35 20 MR. HORTON: Objection.

02:39:36 21 Q. Or to a group of people?

02:39:38 22 A. If I remember correctly, this went to
02:39:39 23 leadership.

02:39:42 24 Q. And what is the email about?

02:39:49 25 A. It's a commentary on market activity in

02:39:51 1 XRP.

02:39:52 2 Q. And why were you providing leadership with
02:39:58 3 commentary on XRP trading market?

02:40:05 4 A. If I remember correctly, I think I was
02:40:07 5 asked to do this periodically. It was part of the
02:40:11 6 responsibility, overall.

02:40:17 7 Q. Is the email talking about chatter about
02:40:18 8 Ripple's escrow announcement?

02:40:22 9 MR. HORTON: Objection to form.

02:40:25 10 A. It mentions it.

02:40:26 11 Q. Okay. And did you believe the chatter
02:40:29 12 about the escrow had caused XRP's price to increase?

02:40:36 13 A. At the time, I did, yes.

02:40:40 14 Q. And was the escrow announcement significant
02:40:42 15 for Ripple?

02:40:44 16 MR. HORTON: Objection to form.

02:40:52 17 A. The -- sort of, after the -- when we
02:40:55 18 announced it, you mean?

02:40:58 19 Q. So was the fact that Ripple was considering
02:41:01 20 putting its XRP in escrow significant?

02:41:08 21 MR. HORTON: Objection to form.

02:41:09 22 A. Significant to whom?

02:41:10 23 Q. Significant to the market.

02:41:15 24 MR. HORTON: Same objection.

02:41:17 25 A. I don't know.

02:41:18 1 Q. Did the escrow reduce overhang, which was a
02:41:23 2 concern by speculators?

02:41:25 3 MR. HORTON: Objection to form.

02:41:27 4 A. I don't know.

02:41:29 5 Q. What was the goal of the escrow?

02:41:33 6 MR. HORTON: Objection to form. Lack of
02:41:35 7 foundation.

02:41:36 8 A. The -- the primary -- this kind of goes
02:41:43 9 back a little bit to our conversation around clarity
02:41:46 10 and transparency.

02:41:47 11 You know, the -- the primary goal was to
02:41:54 12 remove any doubts -- I have to go back a little bit.
02:42:08 13 There had been a lot FUD around Jed selling way
02:42:12 14 before I joined the company, a very well-publicized
02:42:14 15 incident where Jed said he was going to sell all his
02:42:19 16 XRP. It was very dramatic for crypto.

02:42:21 17 And it felt like there was still some of
02:42:25 18 that -- those lingering concerns about Ripple having
02:42:28 19 so much XRP accessible at any time, and -- you know
02:42:32 20 having concerns around, you know, if the company got
02:42:35 21 into trouble somehow and needed money that they might
02:42:39 22 just turn around and sell all of its XRP.

02:42:42 23 So the primary reason was to sort of remove
02:42:44 24 that risk. We got some suggestions from folks about
02:42:51 25 the best way to remove that risk is just to destroy

02:42:53 1 all the XRP. We thought that might be a little
02:43:00 2 aggressive, and this could be a good middle ground.

02:43:03 3 Q. And was it the risk that Ripple could sell
02:43:06 4 all of its XRP into the market?

02:43:10 5 MR. HORTON: Objection to form.

02:43:15 6 A. I don't know that it was all the XRP or
02:43:16 7 some of the XRP, but it was just that, you know,
02:43:18 8 Ripple could sell a large amount of XRP.

02:43:21 9 Q. And Ripple sales would have a negative
02:43:23 10 impact on price?

02:43:26 11 MR. HORTON: Objection.

02:43:27 12 A. If -- if they're large enough they could.

02:43:39 13 Q. Was the escrow one of the things Ripple did
02:43:40 14 to get XRP kind of out of its corner?

02:43:48 15 MR. HORTON: Objection to form.

02:43:56 16 A. If I think of kind of how the other crypto
02:44:01 17 currencies get distributed, so Bitcoin in particular,
02:44:04 18 proof of work and how it's algorithmic and incredibly
02:44:07 19 well known, it's public. So that's just not
02:44:12 20 something that the market has any concerns about, the
02:44:14 21 amount of supply coming online at any given time
02:44:17 22 because it's known.

02:44:18 23 If we think of a random cryptocurrency not
02:44:24 24 having that attribute or not having clarity of
02:44:27 25 supply, you could think of it as having challenges,

02:44:30 1 as being part of crypto. One of these things is not
02:44:34 2 like the other.

02:44:35 3 I think the escrow was an attempt at
02:44:39 4 almost -- you know, I think that -- the escrow
02:44:42 5 married with programmatic sales, which we were public
02:44:49 6 with, I think started to put in place. Something
02:44:53 7 that was akin to, you know, that algorithmic very
02:44:58 8 public supply schedule, which XRP just didn't have.

02:45:10 9 Q. Was one of the reasons XRP did not have
02:45:15 10 clarity of supply because Ripple owned most of it,
02:45:17 11 and could sell it at any point into the market?

02:45:22 12 MR. HORTON: Objection to form.

02:45:23 13 A. No. The -- and I'm not a technical expert
02:45:26 14 so I don't want to dive too deep in here, but it's
02:45:29 15 more because of the consensus mechanism. The fact
02:45:32 16 that it's not a proof-of-work blockchain means that
02:45:35 17 you don't have kind of the rewards being build out
02:45:38 18 for mining blocks or for validating blocks. So it's
02:45:42 19 just a different mechanism.

02:45:55 20 Q. Did Ripple understand -- did Ripple believe
02:45:56 21 that by implementing the escrow it would cause an
02:46:00 22 increase in XRP price?

02:46:03 23 MR. HORTON: Objection to form.

02:46:08 24 A. I -- so I -- no.

02:46:17 25 What -- the company, I don't know what

02:46:18 1 the -- with --

02:46:21 2 Q. Did you believe that the escrow -- by
02:46:22 3 implementing the escrow it would have a positive
02:46:24 4 impact on XRP's price?

02:46:29 5 A. Yeah, I thought it would be beneficial.

02:46:32 6 Q. Why?

02:46:39 7 A. Well, just kind of think of it almost like
02:46:43 8 a -- I think of the price of something as kind of the
02:46:46 9 expected value of something. You think about
02:46:50 10 probabilities of outcomes, and you removed the big
02:46:54 11 probability, like one big outcome has been removed.
02:46:57 12 The probability that 60 billion XRP get sold in one
02:47:00 13 day is gone. Likely the probability that, well, now
02:47:03 14 the probability that anything but 1 billion XRP in a
02:47:06 15 month -- or a day, which is, I guess, technically
02:47:07 16 what could have happened, all those other
02:47:10 17 probabilities get -- they're just not possible
02:47:14 18 anymore.

02:47:15 19 So the -- the chances that you get, like,
02:47:20 20 incredible supply guts -- or gluts -- is gone. That
02:47:23 21 shouldn't be bad for the price. I -- I -- I guess.
02:47:41 22 At the same time, I mean -- I'll shut up.

02:47:49 23 Q. Absent the escrow, was there a concern by
02:47:52 24 XRP holders that Ripple could sell a large portion of
02:47:56 25 its holdings?

02:47:58 1 MR. HORTON: Objection to form.

02:47:58 2 A. Hard for me to speak to all XRP holders.

02:48:04 3 But it -- if I remember correctly, it's

02:48:06 4 stuff that I read or heard from folks.

02:48:10 5 Q. Did you hear that directly from OTC

02:48:12 6 purchasers?

02:48:15 7 A. Not that I remember.

02:48:18 8 Q. And where did you read that?

02:48:22 9 A. I don't remember.

02:48:22 10 MR. HORTON: Objection to form.

02:48:23 11 Q. Did you read that on XRP Chat?

02:48:28 12 A. I don't remember.

02:48:29 13 Q. Were -- did you understand that XRP holders

02:48:34 14 and XRP speculators were concerned that Ripple could

02:48:38 15 sell its XRP at any time into the market?

02:48:41 16 MR. HORTON: Objection to form.

02:48:42 17 A. Again, hard for me to speak for everybody,

02:48:51 18 but I felt like I had that impression, felt that

02:48:53 19 impression.

02:48:54 20 Q. Did others at Ripple have that impression

02:48:57 21 as well?

02:48:59 22 MR. HORTON: Objection to form.

02:49:00 23 A. I can't remember anybody specifically, but

02:49:01 24 I think so.

02:49:02 25 Q. Did Brad Garlinghouse share that view?

02:49:06 1 MR. HORTON: Objection to form.

02:49:08 2 A. I don't know.

02:49:12 3 Q. Did Chris Larsen share that view as well?

02:49:17 4 MR. HORTON: Objection.

02:49:17 5 MS. COWAN: Objection.

02:49:18 6 A. I don't know.

02:49:25 7 Q. Are you familiar with an entity called

02:49:27 8 [REDACTED] --

02:49:29 9 MR. HORTON: Sorry, Counsel. Are you done

02:49:30 10 with this document?

02:49:31 11 MS. WAXMAN: Yes.

02:49:32 12 MR. HORTON: Can we take a short break?

02:49:35 13 MS. WAXMAN: Yes. We're off the record at

02:49:36 14 2:49.

02:49:38 15 THE VIDEOGRAPHER: Going off the record at

02:49:39 16 2:49 p.m. Eastern.

02:49:42 17 (A recess was taken from 2:49 to 3:02.)

03:02:29 18 THE VIDEOGRAPHER: We are back on the

03:02:29 19 record at 3:02 p.m. Eastern.

03:02:39 20 Q. Mr. Vias, are you familiar with an entity

03:02:40 21 called [REDACTED]

03:02:44 22 A. I -- yes, yes.

03:02:46 23 Q. What is [REDACTED]

03:02:58 24 A. I'm not 100 percent sure. I want to tell

03:02:59 25 you what I -- what I remember it being. I don't know

03:03:01 1 if it still is.

03:03:03 2 So [REDACTED] was a -- it's a company that
03:03:07 3 provided software to digital currency exchanges with
03:03:10 4 a matching engine.

03:03:12 5 Q. Did Ripple ever partner with [REDACTED]

03:03:17 6 MR. HORTON: Objection to form.

03:03:22 7 A. I don't remember if we ever actually inked
03:03:25 8 a deal with [REDACTED]

03:03:28 9 Q. How did you come to learn about [REDACTED]

03:03:30 10 A. I don't remember.

03:03:32 11 MS. WAXMAN: Exhibit 50.

03:03:33 12 (Email from Mr. Vias to [REDACTED] re:
03:03:33 13 Call Notes: [REDACTED], Bates 0762086, was
03:03:33 14 marked MV Exhibit 50 for identification, as of
03:03:33 15 this date.)

03:03:47 16 Q. Mr. Vias, I'm showing you what's been
03:03:49 17 marked MV 50, with the Bates 0762086.

03:03:54 18 A. Okay.

03:03:55 19 (Witness reviewing document.)

03:04:27 20 A. Okay.

03:04:29 21 Q. Does this refresh your memory about [REDACTED]
03:04:32 22 and whether Ripple entered into any partnership or
03:04:36 23 deal with [REDACTED]?

03:04:40 24 MR. HORTON: Objection to form.

03:04:41 25 A. It does not.

03:04:43 1 Q. Did Ripple sell XRP to [REDACTED]
03:04:51 2 A. I don't think so.
03:04:53 3 I don't remember doing so. No.
03:04:59 4 Q. Did [REDACTED] sell XRP to its customers?
03:05:04 5 MR. HORTON: Objection to form.
03:05:07 6 A. I don't know.
03:05:19 7 Q. At the very top is an email from you to
03:05:21 8 [REDACTED]. Who is [REDACTED]
03:05:26 9 A. [REDACTED] was a member of the BD team.
03:05:32 10 Q. And did you report to [REDACTED]
03:05:37 11 A. No.
03:05:38 12 Q. Why were you letting him know about [REDACTED]
03:05:48 13 A. I think this -- I sent out a -- a -- this
03:05:52 14 is a quick, kind of, recap for a meeting that we had
03:05:56 15 with [REDACTED] the CEO.
03:05:58 16 If I remember correctly, we used to send
03:06:01 17 these call notes out to the BD team broadly. So I
03:06:04 18 can't remember if it was a distribution email or if
03:06:07 19 it was individuals. I think it was just BD at
03:06:09 20 Ripple. And we would just send off the calls notes
03:06:12 21 for visibility so folks knew what conversations were
03:06:16 22 being had.
03:06:17 23 Q. You write about the -- about [REDACTED] at the
03:06:19 24 very top. They will just be buying XRP, but it's a
03:06:23 25 great sign that retail brokers are jumping in.

03:06:27 1 What did you mean by "retail brokers"?

03:06:39 2 A. Yeah, I don't -- I'm -- I'm a little
03:06:48 3 confused by this, to be honest. Because I -- this is
03:06:51 4 not how I remember [REDACTED]

03:06:54 5 So I'm just having trouble remembering this
03:06:56 6 thread.

03:06:58 7 Q. Well, other than in connection with [REDACTED]
03:07:04 8 what do you mean by the term "retail brokers"?

03:07:07 9 MR. HORTON: Objection to form.

03:07:09 10 A. So -- if there isn't a direct analog to
03:07:22 11 cryptocurrency exchanges in FX markets. We don't --
03:07:29 12 in the States, FX trading isn't as popular as it is
03:07:33 13 in the UK or Europe, in some parts. So we don't
03:07:37 14 have, like, FX exchanges.

03:07:40 15 The way I understand it -- I wasn't an FX
03:07:41 16 expert, but the way I understand the FX market is
03:07:44 17 that as of -- instead of having those exchanges,
03:07:49 18 there are retail brokerages where -- you can get
03:07:56 19 access to FX as a more retail-type trader, but it's
03:07:59 20 more -- it's broker. So it's not like a matching
03:08:05 21 engine where you're just matching up with somebody
03:08:07 22 and you don't know who it is.

03:08:08 23 I think the way retail brokerages in FX
03:08:12 24 work is you pair off against a broker. But honestly,
03:08:15 25 I'm not sure.

03:08:17 1 Q. So was the purpose of reaching out to [REDACTED]
03:08:20 2 to make XRP available for retail purchasers?

03:08:25 3 MR. HORTON: Objection to form.

03:08:27 4 A. I don't remember. Why we reached out to
03:08:28 5 [REDACTED]. It looks like it was an introduction from

03:08:30 6 [REDACTED]

03:08:33 7 Q. And what is [REDACTED]?

03:08:36 8 A. [REDACTED] is a software provider for
03:08:41 9 over-the-counter trading.

03:08:47 10 Q. For whom? Who would use it?

03:08:50 11 A. [REDACTED] as an example, uses

03:08:53 12 [REDACTED]

03:08:57 13 MS. WAXMAN: Exhibit 58, please.

03:08:59 14 (Email chain re: Quick Thoughts on XRP
03:08:59 15 Sequencing, Bates 0048430 through -433, was
03:08:59 16 marked MV Exhibit 58 for identification, as of
03:08:59 17 this date.)

03:09:23 18 Q. Mr. Vias, I'm showing you what's been
03:09:26 19 marked as MV 58, which has the Bates 0048430 through
03:09:36 20 -433.

03:09:56 21 (Witness reviewing document.)

03:11:04 22 A. Okay.

03:11:06 23 Q. Do you recall sending this email, in
03:11:10 24 August 2017?

03:11:12 25 A. I don't.

03:11:14 1 Q. What was going on in the XRP market in
03:11:17 2 August 2017?

03:11:19 3 MR. HORTON: Objection to form.

03:11:20 4 Q. I mean earlier we -- you spoke about in
03:11:22 5 early 2017 that there wasn't enough publicity into
03:11:32 6 XRP. Had that changed in August 2017?

03:11:36 7 MR. HORTON: Objection to form. I'm not
03:11:37 8 sure that's what he testified.

03:11:39 9 A. Did I use that word?

03:11:40 10 Q. No.

03:11:42 11 Well, what was the market like in
03:11:45 12 August 2017?

03:11:47 13 A. I -- I don't -- that's a broad question.
03:11:50 14 I'm not sure -- I -- I don't know.

03:11:53 15 Q. How did the market for XRP compare in
03:11:56 16 August -- how did it -- in August 2017, what was the
03:12:00 17 market like compared to the market in early 2017?

03:12:04 18 A. I think it was better. I think we had -- I
03:12:07 19 think XRP was listed on more exchanges at that point.
03:12:09 20 If I remember correctly, Kraken had listed. Bitstamp
03:12:14 21 had listed. I think we had a few of the Korean
03:12:16 22 exchanges it listed.

03:12:18 23 I think at this point, we had Genesis
03:12:20 24 Trading OTC, which was good. We may have had either
03:12:24 25 [REDACTED] or [REDACTED] that's the hardware wallets, extend

03:12:30 1 support for XRP. So I think volumes were up.

03:12:35 2 I think the price at this point had come
03:12:37 3 off its highs, in May. I can't remember what the
03:12:45 4 price was, but I think, in general, it was better.

03:12:49 5 Q. Did you still have those concerns that you
03:12:51 6 had earlier in the year about XRP -- I don't want to
03:12:55 7 put words in your mouths, but you had -- you
03:12:56 8 mentioned earlier that you did have concerns about
03:12:58 9 XRP early in 2017.

03:13:00 10 A. Yeah --

03:13:04 11 MR. HORTON: Objection to form.

03:13:04 12 A. Sorry.

03:13:04 13 Yeah, concerns that it wasn't -- it wasn't
03:13:08 14 participating broadly in the rest of the crypto
03:13:12 15 markets. It really wasn't part of that.

03:13:13 16 I think less so. I think less so, but
03:13:16 17 not -- clearly, as I'm outlining in this email, there
03:13:20 18 was still things to do.

03:13:22 19 Q. In the email, you -- to Patrick, on the
03:13:25 20 second page of the top, you say, On the back of my
03:13:31 21 email exchange with Brad over the weekend and the
03:13:34 22 leadership off-site this week, I wanted to give you a
03:13:36 23 quick overview of what I think we need to do over the
03:13:42 24 next few months to keep XRP's momentum going.

03:13:44 25 What momentum are you talking about?

03:13:47 1 A. I don't remember specifically.

03:13:48 2 Q. Are you talking about momentum in terms of
03:13:51 3 XRP price?

03:13:54 4 MR. HORTON: Objection.

03:13:54 5 A. I -- I doubt it. I think at this point,
03:13:59 6 the price had come off pretty significantly from the
03:14:01 7 highs, in May or June, whatever that was.

03:14:06 8 Q. Are you talking -- sorry, go on.

03:14:08 9 A. I think I mean more about just the market
03:14:10 10 development. The liquidity kind of -- the
03:14:12 11 unstuckness, if you will. Starting to get unstuck
03:14:15 12 from that little corner that I described before.

03:14:18 13 Q. What was market sentiment like at the time
03:14:22 14 for XRP?

03:14:24 15 MR. HORTON: Objection to form.

03:14:24 16 A. I don't know.

03:14:25 17 Q. Was it positive?

03:14:27 18 MR. HORTON: Objection to form.

03:14:28 19 A. I don't know.

03:14:31 20 Q. Were retail investors excited about XRP in
03:14:35 21 late 2017?

03:14:37 22 MR. HORTON: Objection to form.

03:14:38 23 A. I don't know.

03:14:44 24 Q. What do you recommend Ripple do to keep the
03:14:47 25 momentum going?

03:14:56 1 A. Sorry, I just -- I've listed them. I'm not
03:14:58 2 going to read them to you.

03:15:00 3 Q. Are many of the things that you've
03:15:01 4 recommended, relate to making XRP more readily
03:15:05 5 available on platforms?

03:15:08 6 MR. HORTON: Objection to form.

03:15:10 7 A. Sorry. Can you repeat that again?

03:15:18 8 Q. Are the items that you list, are they
03:15:20 9 related to making XRP more readily available for
03:15:24 10 trading on platforms?

03:15:26 11 A. Some of these are. Yeah.

03:15:28 12 Q. And the ones that are not related to
03:15:31 13 platforms, what are -- what do they relate to?

03:15:47 14 A. So there's an xRapid mentioned, around --
03:15:50 15 you know, the pilots. That really speaks more to
03:15:59 16 kind of the signaling to the payments industry is
03:16:01 17 that we have a product.

03:16:02 18 The other one I think that's not related at
03:16:05 19 all to -- to anything exchange-wise is the blockstack
03:16:12 20 support for XRP, which is really more technical- and
03:16:17 21 developer-focused. And then the ACH launch at Kraken
03:16:18 22 and Bitstamp, really, I think, if I remember
03:16:20 23 correctly, revolved around ease of use for xRapid.

03:16:25 24 Q. You said the xRapid pilot was more of a
03:16:27 25 signal. Correct?

03:16:29 1 A. Yeah.

03:16:30 2 Q. Is that because at the time xRapid
03:16:33 3 wasn't -- hadn't been commercially adopted yet?

03:16:37 4 MR. HORTON: Objection to form.

03:16:37 5 A. I mean it was a pilot. Remember, I think
03:16:40 6 we sketched out xRapid on a whiteboard in March.
03:16:44 7 This is August. It's not even five months later.

03:16:47 8 I think we're talking about launch of
03:16:50 9 xRapid of a pilot in October.

03:16:53 10 Q. So nobody was using xRapid at the time.

03:16:57 11 MR. HORTON: Objection to form.

03:16:58 12 A. I think xRapid was not ready to be used.

03:17:01 13 Q. Okay. So why would listings, XRP's
03:17:08 14 listings help the -- XRP's momentum?

03:17:11 15 A. So if you're going to take it to -- it's --
03:17:22 16 it's -- at the end state, the long-term goal, there's
03:17:25 17 a network of really liquid exchanges, all connected
03:17:29 18 with Ripple APIs, that each one of which facilitates
03:17:35 19 transfer of value from one -- from one of those
03:17:37 20 exchanges to any one of the other ones. And that
03:17:40 21 network of liquidity and volume being used by payment
03:17:44 22 providers, like MoneyGram, the America's [REDACTED]
03:17:47 23 [REDACTED] International ones as well.

03:17:50 24 How do you do that? You have to start with
03:17:59 25 the exchanges, obviously, and getting those listings,

03:18:02 1 and getting those books and getting those books
03:18:05 2 liquid. And you've to keep building. You have to
03:18:08 3 keep getting listings. Part of it is a general --
03:18:13 4 like -- you know, you can't have only the xRapid
03:18:17 5 exchanges be liquid. That would be odd.

03:18:21 6 So you still have this overarching goal of,
03:18:23 7 okay, like general liquidity health, general market
03:18:29 8 health. So lot of this is -- some of that; and some
03:18:31 9 of it is an anticipation of what we're going to do in
03:18:35 10 the future.

03:18:35 11 So SCI. SCI is a Filipino exchange. We
03:18:42 12 wanted to go into the Philippines next. That was
03:18:45 13 what SCI was about. I'm actually surprised that
03:18:50 14 coins.ph is not on here, because that ended up being
03:18:53 15 a big part of the Philippines strategy as well.

03:18:56 16 So there is -- you know, at the end of '17,
03:19:02 17 early '18, we -- you know, we start to get a kind of
03:19:07 18 differing of priorities. Some of the foundational
03:19:14 19 liquidity building had been done; a lot of it not by
03:19:16 20 us. Organically, as the markets, you know, really
03:19:19 21 grew in crypto, folks start listing XRP on their own.
03:19:24 22 We can start now to be a little more strategic about
03:19:26 23 where we want to target XRP listings and tie them a
03:19:31 24 little bit more closely to the broader product
03:19:33 25 strategy.

03:19:34 1 And I think, you know, BitOasis, I don't
03:19:38 2 know if we ever get the BitOasis launch or deal.
03:19:43 3 That was one another, because we -- we had ideas
03:19:45 4 around the Middle East in money movement.

03:19:50 5 So yeah, if that answers your question.

03:19:54 6 Q. But at this time, in August 2017, this was
03:19:57 7 all prospective.

03:20:06 8 MS. COWAN: Objection.

03:20:06 9 Q. The work on xRapid, and exchanges that
03:20:10 10 would integrate xRapid.

03:20:18 11 MS. COWAN: Objection.

03:20:19 12 MR. HORTON: Hang on. She is going to ask
03:20:21 13 a question.

03:20:21 14 Q. The work that you were doing was -- in
03:20:23 15 relation to xRapid was for something in the future.

03:20:28 16 MS. COWAN: Same objection.

03:20:29 17 A. How do you get to the future if you don't
03:20:39 18 plan in the present? Yeah, this is laying out some
03:20:42 19 of the strategy to get us to that end state. This is
03:20:44 20 some of the sequencing I thought we needed.

03:20:50 21 Q. And did you think the sequencing encouraged
03:20:52 22 speculative trading volume?

03:20:54 23 A. I don't know.

03:20:55 24 Q. Was part of the sequencing to get more
03:20:58 25 speculation so that at some point in the future, XRP

03:21:03 1 could be used for payments?

03:21:04 2 MR. HORTON: Objection to form.

03:21:15 3 A. I think speculation is an important part of
03:21:17 4 a healthy market.

03:21:22 5 Q. Did you think speculation was a precursor
03:21:24 6 to getting XRP adopted for payments?

03:21:27 7 MR. HORTON: Objection to form.

03:21:31 8 A. I wouldn't be go so far as a precursor, but
03:21:35 9 I think it would be harder to do it without it.

03:21:37 10 Q. Did Ripple work to encourage speculative
03:21:45 11 trading?

03:21:47 12 MR. HORTON: Objection to form.

03:21:47 13 A. No.

03:21:48 14 Q. Did it promote XRP as a speculative
03:21:50 15 investment?

03:21:51 16 MR. HORTON: Objection to form.

03:21:52 17 A. No. Not that I know.

03:22:01 18 Q. How else could you get XRP -- how else
03:22:06 19 could you grow the XRP market other than through
03:22:09 20 speculative trading?

03:22:12 21 MR. HORTON: Counsel, who are you referring
03:22:13 22 to when you say "you"?

03:22:15 23 MS. WAXMAN: I'm talking about Miguel, who
03:22:17 24 is head of XRP markets, and his position as head of
03:22:20 25 XRP markets at Ripple.

03:22:23 1 A. The question was what else could --

03:22:26 2 Q. How else could you get XRP -- what -- what
03:22:40 3 other ways could you get -- grow the XRP market,
03:22:42 4 other than through speculative XRP trading?

03:22:46 5 MR. HORTON: Objection to form.

03:22:51 6 A. When you say "grow the XRP market," you
03:22:53 7 mean increase liquidity?

03:22:54 8 Q. Yes.

03:22:56 9 A. We could. I feel like that -- again, three
03:23:14 10 parts of -- in my view, three buckets of liquidity in
03:23:17 11 a market. Speculation, market-making activity, and
03:23:21 12 then commercial activity. Those are the three
03:23:24 13 buckets.

03:23:24 14 I think hard to find a really robust and
03:23:28 15 thick market in the world that doesn't have those
03:23:30 16 three. If you're missing any of them, you're not
03:23:33 17 going to have as robust a market as you can have.

03:23:37 18 With respect to xRapid, it's a -- it's hard
03:23:45 19 to -- I mean, if XRP is going to be on a digital
03:23:51 20 currency exchange, there no way for me to say, Hey,
03:23:55 21 nobody speculate in it, please. We're just going to
03:23:58 22 list it. Don't touch it. I just want the exchange
03:24:01 23 to list it. I'm going to bring in a bunch of market
03:24:05 24 makers and I am going to bring in a bunch of payment
03:24:06 25 providers, and I'm going to let them trade in these

03:24:09 1 books, but please don't let any speculators in.

03:24:12 2 I don't know how to do that. I don't think
03:24:14 3 there's any way to do that.

03:24:20 4 And really, the exchange architecture, the
03:24:23 5 fact that, to use an exchange, you have to deposit
03:24:26 6 funds, and they have to be available, and are
03:24:30 7 available immediately, is -- is incredibly beneficial
03:24:35 8 to the use case.

03:24:37 9 So using xRapid via OTC brokers doesn't
03:24:41 10 work. Because there's huge settlement issues. So
03:24:47 11 you want to use the exchanges for this use case. I
03:24:50 12 can't even imagine a -- a -- scenario where we
03:24:54 13 wouldn't.

03:24:58 14 So it's hard for me -- like, once you --
03:25:00 15 once you have it listed on an exchange, people are
03:25:02 16 going to trade it; some for speculation, and maybe
03:25:04 17 some market makers. And, you know, our job was to
03:25:07 18 use whatever liquidity was on there, whoever was
03:25:09 19 using that liquidity or creating it, to then build
03:25:11 20 the product on top of it and enhance that liquidity.
03:25:15 21 But none of the enhancements of that liquidity had
03:25:17 22 anything to do with speculation.

03:25:19 23 If you look at what we tried to do, around
03:25:23 24 xRapid, is -- you know, especially in the books of
03:25:26 25 some of the large payment providers that weren't

03:25:29 1 quite ready for purpose -- or fit for purpose yet;
03:25:31 2 they were a little wide in terms of spreads -- is
03:25:34 3 bring in market makers and then bring in the payment
03:25:38 4 providers. But we really don't do anything at
03:25:40 5 that -- we don't do anything to encourage
03:25:42 6 speculation.

03:25:49 7 Q. Ripple tried to get XRP listed on
03:25:52 8 platforms. Correct?

03:25:53 9 MR. HORTON: Objection to form.

03:25:55 10 A. My team, the XRP markets team.

03:25:57 11 Q. And that was in order to increase overall
03:26:01 12 trading volume of XRP?

03:26:03 13 MR. HORTON: Objection to form.

03:26:04 14 A. Primarily, yes.

03:26:06 15 Q. And that led to an increase in speculative
03:26:09 16 trading for XRP?

03:26:15 17 A. I think so.

03:26:51 18 MS. WAXMAN: Exhibit 72.

03:26:52 19 (Email exchange re: XRP Markets Roles,
03:26:52 20 Bates 0376177 through -178, was marked MV
03:26:52 21 Exhibit 72 for identification, as of this date.)

03:26:53 22 Q. Mr. Vias, I'm showing you what's been
03:27:13 23 marked as MV 72, which has the Bates 0376177 through
03:27:23 24 -178.

03:27:46 25 (Witness reviewing document.)

03:28:29 1 A. Okay.

03:28:31 2 Q. Do you recall Exhibit MV 72?

03:28:34 3 A. I don't.

03:28:37 4 Q. What recommendation were you making in
03:28:40 5 connection with Ripple's XRP market strategy?

03:28:44 6 MR. HORTON: Objection to form.

03:28:46 7 Q. In December 2017.

03:28:48 8 A. Yeah. Two weeks in.

03:28:50 9 So my recommendation here is that we need
03:29:06 10 to hire two more people. One to kind of focus on
03:29:16 11 market makers and liquidity providers with Dinuka,
03:29:18 12 and then a new role around general XRP speculator
03:29:23 13 interest.

03:29:26 14 Q. So you were recommending that Ripple
03:29:27 15 increase its marketing and promotional efforts of XRP
03:29:31 16 in order to appeal to speculators?

03:29:34 17 MR. HORTON: Objection to form.

03:29:44 18 A. Honestly, I'm not sure what I mean here.

03:29:50 19 Q. Did you think Ripple wasn't creating enough
03:29:52 20 buzz or interest as -- in XRP as compared to other
03:29:54 21 coins?

03:29:55 22 MR. HORTON: Objection to form.

03:29:58 23 A. I think at the time what I thought was XRP
03:30:03 24 was not part of the general Ripple narrative. Again,
03:30:09 25 I'm going to go through the stages of the company.

03:30:11 1 And in '13, '14, everything is about the protocol.

03:30:14 2 Starting in '15, XRPs -- I think the focus
03:30:21 3 is more on the -- around the enterprise software
03:30:24 4 piece, not so much around XRP as a settlement asset.
03:30:32 5 And then that seems to come back into focus sometime
03:30:35 6 in 2016. But for whatever reason, that narrative
03:30:38 7 wasn't alive yet when I joined.

03:30:43 8 I think that's what I'm speaking to here.

03:31:01 9 Q. What does "settlement asset" mean?

03:31:07 10 A. It's an asset you use to settle liabilities
03:31:09 11 with.

03:31:16 12 Q. You said you -- in the email you said,
03:31:18 13 After discussing at length with Brad today.

03:31:21 14 Did Brad agree with your recommendation?

03:31:25 15 MR. HORTON: Objection to form.

03:31:28 16 A. I don't remember.

03:31:30 17 Q. Did Brad agree with your assessment of the
03:31:34 18 XRP market at the time?

03:31:35 19 MR. HORTON: Objection to form.

03:31:38 20 A. I don't know.

03:31:40 21 Q. Did anyone raise any concerns with your
03:31:43 22 recommendation to market or promote XRP to
03:31:46 23 speculators?

03:31:47 24 MR. HORTON: Objection to form.

03:31:50 25 A. I don't remember.

03:31:53 1 Q. Did Ripple ever hire anyone for this
03:31:55 2 position that you recommended?

03:31:58 3 A. Not that I remember, no.

03:32:37 4 Q. What -- earlier today we spoke about XRP
03:32:41 5 market reports. What was the purpose of the XRP
03:32:44 6 market reports?

03:32:54 7 A. So a broad purpose -- again, around this
03:33:01 8 clarity or transparency piece, I've spoken now a few
03:33:06 9 times around the fact that -- around the holdings but
03:33:10 10 also around the products, there wasn't any clarity
03:33:13 11 from Ripple as to what it was doing with respect to
03:33:16 12 XRP.

03:33:17 13 So this was meant to address some of those
03:33:21 14 issues; in particular, around our sales, and the FUD
03:33:24 15 around how much we were selling or not selling.

03:33:27 16 Q. Did Ripple want to provide clarity to
03:33:30 17 investors of XRP?

03:33:33 18 MR. HORTON: Objection to form.

03:33:34 19 A. Again, hard for me to speak to what Ripple,
03:33:37 20 the company, wanted.

03:33:43 21 Q. You were head of XRP markets team at the
03:33:46 22 time, right?

03:33:47 23 A. Right, right.

03:33:48 24 You asked me about Ripple.

03:33:49 25 Q. Did you want something different than what

03:33:50 1 Ripple wanted?

03:33:52 2 MR. HORTON: Objection to form.

03:33:53 3 A. Often. Yeah.

03:33:54 4 Q. When did you want something -- at what time
03:33:58 5 did you want something that Ripple --

03:34:00 6 A. I don't know, Daphna.

03:34:01 7 Q. -- wanted something different?

03:34:02 8 A. Have you ever wanted something different
03:34:04 9 from what the SEC wants? I mean, it's a --

03:34:06 10 Q. No.

03:34:06 11 A. It's a -- good answer.

03:34:08 12 It's a job. I mean, you're going to
03:34:10 13 disagree with folks at the company. You're -- at
03:34:15 14 times, you're going to disagree with the company
03:34:17 15 strategy, direction.

03:34:18 16 But with respect to this question I think
03:34:21 17 you're asking me, is what was my intention with
03:34:23 18 respect to the report; is that right?

03:34:24 19 Q. Yes.

03:34:25 20 A. So if you want to build a healthy market,
03:34:29 21 markets do not like opacity. They do not like things
03:34:32 22 to be vague. It's hard to make decisions around risk
03:34:36 23 when you can't quantify the risk. So you want to
03:34:41 24 reduce some of that. The way -- if you can, the way
03:34:43 25 you do that is by giving clarity. This was -- this

03:34:47 1 was a way to give clarity to markets.

03:34:49 2 Q. When you say "to markets," who are you
03:34:51 3 talking about?

03:34:52 4 A. The whole XRP market. And I think what you
03:35:01 5 will notice about the XRP market's report is that it
03:35:04 6 evolves over time. And I think my very limited view
03:35:06 7 in the beginning expands as more stakeholders start
03:35:09 8 to craft that document, and you start to see more
03:35:12 9 about the product. So that is signaling to the
03:35:17 10 corporates who we're trying to -- to try to attract
03:35:21 11 to maybe use xRapid in the future.

03:35:23 12 When you're talking about listings on
03:35:25 13 exchanges, you're obviously talking to everyone who
03:35:27 14 trades on an exchange. Or who wants to trade on an
03:35:30 15 exchange, whoever that might be.

03:35:32 16 So, I mean, there's various stakeholders or
03:35:36 17 various participants in the market that the market
03:35:37 18 reports spoke to.

03:35:39 19 Q. Did other people at Ripple have a different
03:35:43 20 view of the purpose of the report?

03:35:46 21 A. I --

03:35:47 22 MR. HORTON: Objection to form.

03:35:48 23 A. I don't know.

03:36:00 24 Q. Who drafted the XRP markets reports?

03:36:05 25 A. It changed over time.

03:36:11 1 Q. Initially, who drafted the reports?

03:36:15 2 A. Initially, I think I drafted the first one,
03:36:23 3 and maybe the second one. I can't quite remember.
03:36:25 4 And then I feel -- and then I think over time,
03:36:27 5 basically, like, the team -- either Dinuka or maybe
03:36:32 6 [REDACTED] would provide some bullets and then send it
03:36:35 7 over to marketing and then it would get written by
03:36:38 8 someone else.

03:36:39 9 [REDACTED] I think, at one point wrote
03:36:42 10 it.

03:36:42 11 Q. Did Mr. Garlinghouse edit the XRP market
03:36:46 12 reports?

03:36:49 13 A. Yes. Brad was part of that process.

03:36:52 14 Q. Did he provide feedback on draft reports?

03:37:01 15 A. Yes.

03:37:01 16 Q. What sort of feedback did he provide?

03:37:03 17 A. I won't remember specifics.

03:37:05 18 Q. Did Chris Larsen review any draft reports?

03:37:10 19 A. I don't think so, no.

03:37:19 20 Q. What was disclosed in the XRP market
03:37:21 21 reports?

03:37:27 22 MS. COWAN: Objection.

03:37:30 23 A. So we -- we communicated how much we'd sold
03:37:36 24 in the quarter, programmatically, in OTC. I think we
03:37:45 25 had -- you know -- the report changed over time, so I

03:37:50 1 may be cobbling together, like, different reports in
03:37:52 2 my mind.

03:37:53 3 But I know, at times, there were sections
03:37:56 4 around XRP listings and support for XRP and like
03:38:03 5 digital wallets. And then over time, it -- there was
03:38:07 6 quite a bit of emphasis on xRapid and, you know, the
03:38:13 7 progress there.

03:38:15 8 Q. Did the XRP market reports always disclose
03:38:19 9 the amount of Ripple's XRP's -- the amount of
03:38:24 10 programmatic sales?

03:38:25 11 MR. HORTON: Objection to form.

03:38:28 12 A. I think all of the reports that I was
03:38:30 13 involved with did. Yeah.

03:38:32 14 Q. Did the reports disclose the actual number
03:38:35 15 of units of XRPs sold?

03:38:39 16 MR. HORTON: Objection to form.

03:38:41 17 A. I don't think so, no. I think it was just
03:38:42 18 the outright number and the -- the percentage of
03:38:45 19 volume.

03:38:46 20 Q. Why didn't Ripple ever disclose the number
03:38:49 21 of units that were sold?

03:38:52 22 MR. HORTON: Objection to form.

03:38:53 23 A. I don't know.

03:38:56 24 Q. Did you ever discuss with anybody whether
03:38:58 25 to disclose that information?

03:39:00 1 A. No.

03:39:06 2 Q. Did the reports disclose Ripple's
03:39:10 3 distributions of XRP that weren't through sales?

03:39:18 4 MS. COWAN: Objection. Objection.

03:39:22 5 Q. So if Ripple used XRP -- if Ripple
03:39:26 6 distributed XRP to a partner, for noncash
03:39:31 7 consideration, did Ripple disclose that information?

03:39:35 8 MR. HORTON: Objection to form.

03:39:36 9 A. I don't think so. No.

03:39:37 10 Q. Why didn't Ripple disclose that?

03:39:40 11 MR. HORTON: Objection to form.

03:39:42 12 A. I don't know.

03:39:44 13 Q. Did you ever disclose -- discuss with
03:39:46 14 anybody whether Ripple should disclose that
03:39:48 15 information?

03:39:50 16 A. Not that I think remember, no.

03:39:55 17 Q. Was that information important to the
03:39:56 18 market?

03:39:57 19 MR. HORTON: Objection to form.

03:40:05 20 A. I don't know.

03:40:06 21 Q. Would that information provide more clarity
03:40:10 22 to the market?

03:40:13 23 MS. COWAN: Objection.

03:40:21 24 A. I think that would have been more
03:40:23 25 transparent.

03:40:26 1 Q. Did you ever discuss with anybody at Ripple
03:40:28 2 whether Ripple should disclose that information?

03:40:31 3 A. No.

03:40:32 4 Honestly, as you're asking me, just never
03:40:34 5 occurred to me. I didn't have visibility into that
03:40:37 6 type of stuff.

03:40:42 7 Q. Who did?

03:40:48 8 A. I mean, I'm going to guess here, but --
03:40:50 9 people senior to me.

03:40:59 10 Q. Did any of the XRP market's reports
03:41:01 11 disclose sales by Ripple's -- sales of XRP by
03:41:03 12 Ripple's founders?

03:41:05 13 MR. HORTON: Objection to form.

03:41:05 14 A. No.

03:41:07 15 Q. Did you ever discuss with anybody whether
03:41:09 16 to disclose that information?

03:41:12 17 MR. HORTON: Same objection.

03:41:12 18 A. No.

03:41:13 19 Q. Would that information have provided more
03:41:15 20 clarity to the market about supply -- XRP supply?

03:41:20 21 MR. HORTON: Objection.

03:41:25 22 A. Yes, but ...

03:41:29 23 Q. Was that your decision, whether or not to
03:41:31 24 disclose that information?

03:41:33 25 A. No. How could it be?

03:41:35 1 Q. Whose decision was it to disclose --
03:41:37 2 whether to disclose that information?

03:41:39 3 MS. COWAN: Objection.

03:41:41 4 A. I don't think that was ever a decision that
03:41:44 5 was contemplated.

03:41:52 6 MS. WAXMAN: Exhibit 51, please.

03:41:53 7 (Email exchange re: Ready to Publish the
03:41:53 8 XRP Markets Reports Tomorrow, Bates 0351547
03:41:53 9 through -548, was marked MV Exhibit 51 for
03:41:53 10 identification, as of this date.)

03:41:54 11 Q. Mr. Vias, I'm showing you what's been
03:42:13 12 marked MV 51, which is a document with the
03:42:15 13 Bates 0351547 through -548.

03:42:40 14 (Witness reviewing document.)

03:43:11 15 A. Okay.

03:43:11 16 Q. Did Brad provide some feedback on the draft
03:43:13 17 report?

03:43:17 18 A. Yes.

03:43:17 19 Q. And what feedback did he provide?

03:43:24 20 A. He says, I will be very surprised if this
03:43:26 21 is ready to go out tomorrow. What I found most
03:43:31 22 surprising is that the word "trust," in all caps,
03:43:33 23 wasn't anywhere in the document. Building trust, not
03:43:37 24 in all caps, in XRP, is the most critical, in all
03:43:41 25 caps, things we can do. The word "trust," caps, and

03:43:46 1 XRP should be together as often as possible, dot dot
03:43:51 2 dot. We -- and we should demonstrate that we are
03:43:53 3 doing this -- doing things -- "doing" is
03:43:57 4 misspelled -- to build trust, in all caps.

03:44:00 5 Q. Did you discuss with Brad why he thought
03:44:04 6 building trust in XRP was the most critical thing
03:44:08 7 Ripple could do?

03:44:10 8 A. No.

03:44:12 9 Q. Did you have any understandings why he
03:44:13 10 thought that?

03:44:17 11 A. I did not.

03:44:19 12 Q. Were -- were investors distrustful of
03:44:23 13 Ripple?

03:44:24 14 MR. HORTON: Objection to form.

03:44:30 15 A. Were inventors distrustful of Ripple the
03:44:33 16 company?

03:44:34 17 Q. Yes.

03:44:34 18 A. I don't know.

03:44:37 19 Q. Well, Brad seems to be saying that in his
03:44:41 20 email?

03:44:43 21 MR. HORTON: Objection. That's not a
03:44:49 22 question.

03:44:51 23 Q. Did you agree with Brad's sentiment that
03:44:58 24 building trust in XRP was the most critical thing
03:45:01 25 Ripple could do?

03:45:07 1 A. Honestly, I don't know what he meant by
03:45:09 2 building trust in XRP. I don't know what that means.

03:45:13 3 Q. How did -- how did you respond to Brad's
03:45:18 4 email and suggestion?

03:45:23 5 MR. HORTON: Objection.

03:45:28 6 A. I'm not going to read it, but I basically
03:45:30 7 said, you know, I try to be as neutral as possible.
03:45:38 8 Ample opportunities to, you know, get company
03:45:44 9 messaging across in other venues, build market trust
03:45:47 10 in Ripple with respect to XRP.

03:45:50 11 Important for the report to stay above the
03:45:52 12 fray. Try to attract professional investors and
03:45:56 13 analysts. And we don't want to have a bent in these
03:46:01 14 reports. It's not helpful.

03:46:03 15 Q. So it was your view that the goal of the
03:46:05 16 report was to attract professional investors and
03:46:10 17 analysts?

03:46:12 18 MS. COWAN: Objection.

03:46:15 19 A. If I'm being honest, I'm not quite sure
03:46:17 20 where that's coming from.

03:46:22 21 Yeah, I don't know.

03:46:26 22 Q. You say that, The goal here is to attract
03:46:33 23 profession investor and analysts who are used to
03:46:35 24 reading reports from sources who aren't so vested in
03:46:38 25 the report subject matter.

03:46:40 1 Did you think the report was biased?

03:46:45 2 MS. COWAN: Objection.

03:46:46 3 A. I hope not. I wrote it.

03:46:48 4 Q. Did -- did the report not disclose certain
03:46:52 5 information that would be important for XRP
03:46:56 6 investors?

03:46:57 7 MR. HORTON: Objection to form.

03:46:58 8 A. I don't know.

03:47:27 9 MS. WAXMAN: Exhibit 29, please.

03:47:29 10 (Email re: XRP Team Discussion - ICOs:
03:47:29 11 Securities and Commodities Analysis, Bates
03:47:29 12 0083483, was marked MV Exhibit 29 for
03:47:29 13 identification, as of this date.)

03:47:45 14 Q. Did you ever receive guidance on how to
03:47:47 15 talk about XRP?

03:47:51 16 MR. HORTON: Objection to form.

03:47:58 17 A. From whom?

03:47:59 18 Q. From anyone within the company, other than
03:48:01 19 a lawyer.

03:48:04 20 A. I don't remember.

03:48:09 21 Q. Were you ever told what not to say about
03:48:12 22 XRP?

03:48:13 23 MR. HORTON: Objection to form.

03:48:15 24 A. Not that I think remember. No.

03:48:18 25 Q. Were you told not to promote XRP as an

03:48:20 1 investment?

03:48:22 2 MR. HORTON: Objection to form.

03:48:24 3 A. Not that I can recall.

03:48:25 4 Q. Were you told not to talk about XRP price?

03:48:28 5 MR. HORTON: Objection to form.

03:48:30 6 A. No. Not that I can remember.

03:48:47 7 Q. Were you told not to talk to -- talk about
03:48:50 8 XRP price to the public?

03:48:52 9 MR. HORTON: Objection to form.

03:48:55 10 A. Not that I can remember.

03:48:57 11 Q. Did you talk about XRP price inside the
03:49:00 12 company? Internally?

03:49:08 13 A. Are you asking me if the price of XRP came
03:49:09 14 up within the walls of Ripple ever?

03:49:11 15 Q. Yes.

03:49:12 16 A. Yes.

03:49:13 17 Q. Okay. And did you talk about the price of
03:49:15 18 XRP outside of the walls of Ripple?

03:49:21 19 A. Yeah. But, I'm sorry, the previous
03:49:22 20 question was like around like -- publicly, like --
03:49:28 21 sorry. I thought you meant like, you know, on TV.
03:49:33 22 Not, like, with my wife.

03:49:35 23 Q. Right. So I'll go back to the original
03:49:37 24 question.

03:49:37 25 Did anyone ever provide any -- other than a

03:49:41 1 lawyer, did you receive any guidance on how to talk
03:49:44 2 about XRP, to the public?

03:49:47 3 MR. HORTON: Objection. Asked and
03:49:48 4 answered.

03:49:49 5 A. Do you mean like in the media?

03:49:52 6 Q. Yes.

03:49:53 7 A. Conferences and things like that?

03:49:55 8 Q. Yes.

03:49:55 9 A. I don't remember, no. I don't think so.

03:50:04 10 MS. WAXMAN: Exhibit 29.

03:50:15 11 Q. I'm showing you what's been marked as
03:50:16 12 MV 29, which is a document with the Bates 0083483
03:50:21 13 through 0083486.

03:50:26 14 (Witness reviewing document.)

03:51:33 15 A. Okay.

03:51:38 16 Q. Do you recall this email?

03:51:39 17 A. I don't.

03:51:42 18 Q. At the very bottom of the second page,
03:51:43 19 there's a reference to an XRP team discussion called
03:51:49 20 "ICO Securities and Commodities Analysis."

03:51:55 21 Did you -- did you participate in this
03:51:57 22 discussion?

03:51:58 23 A. I don't remember.

03:52:01 24 Q. There's a description on the bottom. It
03:52:03 25 says, about -- I guess the meeting.

03:52:05 1 Says, ICOs are increasingly popular and
03:52:08 2 raise many regulatory questions. While XRP is very
03:52:12 3 different from an ICO, Ryan and AOG would like to
03:52:15 4 share our research with the team, explaining the
03:52:17 5 importance of how we talk about XRP.

03:52:20 6 Does this refresh your memory as to whether
03:52:22 7 you received guidance on how to talk about XRP?

03:52:27 8 MS. COWAN: Objection.

03:52:28 9 A. It does not.

03:52:31 10 Q. Who is Ryan?

03:52:35 11 A. That's Ryan Zagone. He worked in
03:52:40 12 compliance and regulatory division, group.

03:52:46 13 Q. Did he have a legal function at Ripple?

03:52:48 14 MS. COWAN: Objection.

03:52:51 15 A. I don't think he was part of a legal team,
03:52:53 16 no.

03:52:53 17 Q. Who is AOG?

03:52:57 18 A. Antoinette O'Gorman. She was head of
03:53:03 19 compliance.

03:53:04 20 Q. Was she part of the legal team?

03:53:07 21 MS. COWAN: Objection.

03:53:10 22 A. I don't think so. No.

03:53:21 23 Q. Were you ever told what not to say about
03:53:25 24 XRP in order to avoid XRP being viewed as a security?

03:53:31 25 MR. HORTON: Objection to form.

03:53:32 1 MS. COWAN: Are you asking in that
03:53:34 2 conversation -- not a conversation with the lawyer?

03:53:37 3 Q. Correct. I don't want to hear anything --
03:53:39 4 any conversations you had with a lawyer.

03:53:40 5 Outside of conversations you had with a
03:53:41 6 lawyer, were you ever told not to say anything about
03:53:45 7 XRP in order to avoid it being classified as a
03:53:49 8 security?

03:53:50 9 A. Not that I can remember.

03:53:53 10 Q. Did you ever discuss XRP's potential status
03:53:56 11 as a security, with any nonlawyer?

03:54:06 12 A. I'm sure I did, but I can't remember with
03:54:08 13 whom or when.

03:54:12 14 Q. Was it important for Ripple sales of XRP
03:54:15 15 not to be considered sales of securities?

03:54:17 16 MR. HORTON: Objection to form.

03:54:20 17 A. I don't know.

03:54:25 18 Q. What would happen if Ripple's sales of XRP
03:54:28 19 were deemed sales of securities?

03:54:31 20 MR. HORTON: Objection to form. Calls for
03:54:32 21 speculation.

03:54:33 22 A. I don't know.

03:54:53 23 Q. Did you ever discuss XRP securities status
03:54:55 24 with any nonlawyers at Ripple?

03:55:00 25 MR. HORTON: Objection. Asked and

03:55:00 1 answered.

03:55:02 2 A. I'm -- I'm sure, at some point, I did. But
03:55:04 3 I don't remember with whom or when.

03:55:08 4 MS. WAXMAN: Exhibit 32, please.

03:55:09 5 (Email from [REDACTED] to Miguel
03:55:09 6 Vias, Bates 0093354, was marked MV Exhibit 32
03:55:09 7 for identification, as of this date.)

03:55:35 8 Q. Mr. Vias, I'm showing you what's been
03:55:37 9 marked as MV 32, which has the Bates 0093354.

03:55:57 10 (Witness reviewing document.)

03:56:52 11 A. Okay.

03:56:54 12 Q. Do you recall this email?

03:56:55 13 A. No.

03:56:57 14 Q. Who is [REDACTED]

03:57:01 15 A. At the time [REDACTED] was the new
03:57:04 16 head of Ripple D.

03:57:07 17 Q. And do you -- did you send him an email --
03:57:12 18 video?

03:57:13 19 A. I don't remember.

03:57:16 20 Q. Does this refresh your memory whether you
03:57:18 21 had conversations with nonlawyers at Ripple regarding
03:57:23 22 XRP's potential status as a security?

03:57:29 23 A. It reminds me of -- one email, yes.

03:57:37 24 Q. Does it refresh your recollection as to
03:57:39 25 other conversations with other nonlawyers at Ripple?

03:57:43 1 A. It doesn't.

03:57:43 2 Q. [REDACTED] writes, Considering the importance of
03:57:50 3 not having XRP be seen as a security.

03:57:53 4 Did [REDACTED] feel that it was important for XRP
03:58:00 5 not to be seen as a security?

03:58:02 6 MR. HORTON: Objection to form.

03:58:02 7 A. I don't know.

03:58:04 8 Q. Do you know why he felt that?

03:58:05 9 A. I do not.

03:58:07 10 MR. HORTON: Objection.

03:58:07 11 Q. At the bottom of the page, the last
03:58:10 12 paragraph, it says, I've done a bit of ground work on
03:58:16 13 this. A number of people in XRP Chat have suggested
03:58:19 14 that XRP is a security issued by the company, or that
03:58:23 15 the company has a fiduciary duty to them, or that it
03:58:26 16 entitles them to rights similar to those as a
03:58:29 17 shareholder might have. I've talked with legal. I
03:58:35 18 think you are looped in on that conversation, about
03:58:37 19 responding on XRP Chat, and we came up with some
03:58:40 20 wording.

03:58:42 21 Does this refresh your memory as to whether
03:58:43 22 you received guidance on how to talk about XRP?

03:58:49 23 MS. COWAN: So I think -- the -- the
03:58:52 24 question you can ask is whether or not he had a
03:58:55 25 conversation with a nonlawyer. Is that still your

03:58:57 1 question?

03:58:58 2 MS. WAXMAN: Yes. That's still my
03:59:00 3 question.

03:59:05 4 A. I don't remember.

03:59:06 5 Q. And then it says, But we need to do more
03:59:09 6 and have an official company position on this, that
03:59:12 7 we can point people to.

03:59:13 8 Did Ripple have an official position on
03:59:16 9 whether or not XRP was a security?

03:59:19 10 MR. HORTON: Objection to form.

03:59:22 11 A. I don't know.

03:59:25 12 But I -- what I meant is, I don't know what
03:59:29 13 "official" means.

03:59:30 14 Q. Did Ripple publicly state its position?

03:59:33 15 MR. HORTON: Objection to form.

03:59:33 16 A. I don't remember.

03:59:43 17 Q. Is that something you would have
03:59:44 18 remembered?

03:59:47 19 MR. HORTON: Objection.

03:59:48 20 Q. If Ripple had come out and said that XRP is
03:59:51 21 like a security, would you have remembered that?

03:59:54 22 MR. HORTON: Objection to form.

03:59:58 23 A. If someone came out and said it was a
04:00:00 24 security?

04:00:00 25 Q. Yes.

04:00:02 1 A. I assume so.

04:00:10 2 MS. WAXMAN: Exhibit 38, please.

04:00:11 3 (Slack messages, Bates 0302509 to -10, was
04:00:11 4 marked MV Exhibit 38 for identification, as of
04:00:11 5 this date.)

04:00:26 6 Q. Mr. Vias, I'm showing you what's been
04:00:27 7 marked as Exhibit MV 38, which is a document with
04:00:32 8 Bates 0302509.

04:01:35 9 (Witness reviewing document.)

04:02:24 10 A. Okay.

04:02:27 11 Q. Who is [REDACTED]

04:02:30 12 A. [REDACTED], at the time, was a part of
04:02:35 13 the BD team.

04:02:38 14 Q. And is this a Slack channel that you are
04:02:42 15 communicating on?

04:02:45 16 A. I'm -- I think so. Yeah.

04:02:48 17 Q. And was this a particular Slack for a
04:02:56 18 certain group of people at Ripple?

04:02:59 19 A. I don't know.

04:03:02 20 Q. Can you tell by who's listed in "to"
04:03:06 21 section?

04:03:15 22 A. Now I'm confused. Is this an email?

04:03:18 23 Q. This is a -- my understanding is this is a
04:03:21 24 Slack chain. These are Slack messages.

04:03:29 25 A. Okay.

04:03:33 1 Yeah, I just -- I don't -- I have no way of
04:03:37 2 knowing -- this is [REDACTED] is on here, but
04:03:44 3 [REDACTED] wasn't part of the company in May of 2017.

04:03:50 4 Q. So you don't believe the people on "to"
04:03:54 5 line were on --

04:03:55 6 A. No. [REDACTED] -- Breanne Madigan wasn't part
04:03:58 7 of the team. No, there is no way. [REDACTED] wasn't
04:04:01 8 part of the team in May of '17. [REDACTED] wasn't
04:04:05 9 part of the team. I don't think Dinuka was part of
04:04:08 10 the team.

04:04:09 11 Q. What about the body of the exhibit? In
04:04:13 12 May 2017 were these people at the company, the
04:04:17 13 senders?

04:04:19 14 A. Yes. Yes, yes.

04:04:20 15 Q. And what are you guys discussing?

04:04:29 16 A. Seemed [REDACTED] has brought up something going
04:04:32 17 on in Japan with respect to ICOs. And then there's a
04:04:40 18 subsequent discussion around XRP and ICOs.

04:04:45 19 Q. In the middle of the page, [REDACTED] writes, I
04:04:48 20 do not think we want to be classified as an ICO.

04:04:52 21 You say, We do not.

04:04:53 22 And -- why did you write that?

04:04:57 23 A. I don't remember.

04:05:03 24 Q. What would it mean if XRP was classified as
04:05:07 25 an ICO?

04:05:10 1 MR. HORTON: Objection to form.

04:05:13 2 A. I don't know.

04:05:15 3 Q. Would there be any implications from that
04:05:18 4 classification?


04:05:19 5 MR. HORTON: Objection to form.

04:05:23 6 A. I'm not sure.

04:05:30 7 Q. Would -- if -- would that affect whether or
04:05:32 8 not XRP was subject to regulation by the SEC?

04:05:38 9 MR. HORTON: Objection to form.

04:05:40 10 A. I don't know.

04:05:50 11 Q. In May 2017, at the bottom of the page, 
04:05:54 12 writes, So I see Ryan's logic is that XRP is not a
04:05:58 13 security, but an ICO currency is like a security, so
04:06:04 14 XRP is not an ICO currency.

04:06:09 15 Do you know what she means there?

04:06:11 16 A. I don't.

04:06:13 17 MR. HORTON: Objection to form.

04:06:17 18 Q. Was Ripple aware that you could package a
04:06:21 19 nonsecurity and make it into a security?

04:06:24 20 MR. HORTON: Objection to form.

04:06:26 21 A. I have no idea.

04:06:30 22 Q. The top of the second page, are you opining
04:06:35 23 about XRP's status under the federal securities laws,
04:06:46 24 or XRP status as an ICO?

04:06:49 25 MR. HORTON: Objection to form.

04:06:54 1 A. You know, I think it's clear from the text
04:06:57 2 that I'm comparing XRP to an ICO, and why they're
04:07:03 3 different.

04:07:03 4 Q. You say, I think the biggest difference
04:07:05 5 between XRP and an ICO is that RCL XRP was created
04:07:08 6 before the company was created.

04:07:09 7 But didn't the same people who created XRP
04:07:12 8 found Ripple?

04:07:14 9 MR. HORTON: Objection to form.

04:07:16 10 A. I don't know.

04:07:18 11 Q. You don't know?

04:07:19 12 A. I don't know if everyone who created the --
04:07:21 13 the protocol is -- was on the founding team. I think
04:07:27 14 there were some folks who were part of the project,
04:07:29 15 and then were not part of the company. I'm not sure
04:07:32 16 as to -- some folks who were involved.

04:07:34 17 You know, David and Arthur, in particular,
04:07:37 18 ended up being part of the company. I don't know if
04:07:42 19 Chris was there in the beginning. I'm just not sure.
04:07:45 20 I wasn't there.

04:07:51 21 Q. Was there anyone that you knew that created
04:07:55 22 XRP, and did not continue with the company after it
04:07:59 23 was formed?

04:08:00 24 MR. HORTON: Objection to form.

04:08:07 25 A. I can't remember his name, but, yeah, I

04:08:08 1 think there was one or two people who was part of
04:08:13 2 that original team and didn't end up at the company.

04:08:19 3 But, again, this was before my time, way
04:08:22 4 before my time.

04:08:23 5 Q. Well, how did you know this information?

04:08:28 6 MR. HORTON: Objection. I think he
04:08:28 7 testified that he didn't.

04:08:30 8 Q. You write, I think the biggest difference
04:08:32 9 between XRP and ICO is that RCL XRP was created
04:08:36 10 before the company was created.

04:08:38 11 If this was before your time, where did you
04:08:40 12 learn this information?

04:08:42 13 A. I don't remember.

04:08:44 14 Q. Is this -- were these talking points that
04:08:48 15 Ripple had provided you on the issue of whether or
04:08:49 16 not XRP was a security?

04:08:52 17 MR. HORTON: Objection to form.

04:08:53 18 A. No. Not that I remember, no.

04:08:55 19 Q. Were these your own views?

04:09:02 20 MS. COWAN: Objection.

04:09:04 21 A. I think this is the way I understood the
04:09:06 22 history of the company.

04:09:09 23 Q. And how did you form that understanding?

04:09:16 24 A. Specifically? I don't remember.

04:09:21 25 Q. You then say, The creators of the asset

04:09:23 1 then donated it to the company.

04:09:24 2 Didn't the creators of XRP keep some of the
04:09:33 3 XRP for themselves?

04:09:34 4 MR. HORTON: Objection to form.

04:09:34 5 A. Yeah, I think some -- they kept some, yes.

04:09:44 6 Q. Why did you think that these two things
04:09:46 7 mattered from the perspective of whether XRP was a
04:09:48 8 security?

04:09:51 9 MR. HORTON: Objection to form.

04:09:59 10 A. I'm not talking about XRP as a security on
04:10:02 11 this page. I'm talking about it as an ICO. I
04:10:07 12 don't -- these are differences from XRP and ICOs, and
04:10:11 13 ICOs are the ERC-20 tokens. They get lost on
04:10:16 14 Ethereum. It's just completely different beasts.
04:10:20 15 I'm not -- I'm comparing an XRP to an ICO.

04:10:36 16 Q. You write further in that sentence, It has
04:10:39 17 a real-use case.

04:10:40 18 What are you talking about when you say it
04:10:42 19 has a real-use case?

04:10:44 20 A. It has a real use.

04:10:45 21 Q. A real use. What do you mean there?

04:10:48 22 A. So similar with Ethereum, the Eth in
04:10:52 23 Ethereum, and the BTC, the Bitcoin block chain, XRP's
04:10:56 24 the native token to the protocol. So in order to
04:11:00 25 transact on the protocol you have -- you need XRP to

04:11:04 1 pay fees. Same as you do in Ethereum. Same as you
04:11:07 2 did in Bitcoin.

04:11:08 3 So the use, it's similar. Right? So you
04:11:13 4 need it to actually interact with the protocol, XRP.
04:11:18 5 ICOs aren't like that, so you don't -- ICO doesn't --
04:11:21 6 ICOs don't secure the network of Ethereum. They
04:11:24 7 don't protect from spam, you know, which is one the
04:11:28 8 other uses for XRP in the network. So that's what I
04:11:31 9 meant by that.

04:11:33 10 Q. Are you talking -- so you're not talking
04:11:34 11 about use of XRP for cross-border payments or
04:11:38 12 anything like that?

04:11:39 13 A. No.

04:11:39 14 Q. Because previously you said that in --
04:11:41 15 around mid-2017, nobody was using XRP for
04:11:46 16 cross-border payments?

04:11:48 17 MR. HORTON: Objection. That misstates his
04:11:50 18 testimony.

04:11:51 19 Q. XRP hadn't been even launched at that
04:11:54 20 point?

04:11:56 21 A. XRapid.

04:11:56 22 Q. XRapid.

04:11:57 23 A. XRapid hadn't been launched. Had no idea
04:11:59 24 if other people were using XRP for cross-border
04:12:03 25 payment on their own.

04:12:04 1 And in this case, I'm speaking very
04:12:06 2 specifically to the protocol. I think we tend to
04:12:09 3 combine these two things. But XRP is actually
04:12:12 4 separate from the network. And the token itself has
04:12:15 5 a use within the L1 protocol. And that is to pay
04:12:20 6 fees for transactions. And those fees really are
04:12:22 7 there to protect against attacks against the ledger,
04:12:26 8 as we try to spam ledger, trying to bog it down, like
04:12:30 9 a DDoS attack.

04:12:33 10 The fees on the network would spike up, and
04:12:36 11 basically the person who is trying to attack the
04:12:39 12 network in that way would go bankrupt. That's the
04:12:41 13 primary use of XRP as a protocol. It's very similar
04:12:45 14 to Ethereum's, in some respects, and very similar to
04:12:47 15 Bitcoin's, in some respects. Very different from
04:12:49 16 ICOs. That's what I meant there.

04:12:52 17 Q. [REDACTED] goes on to write in the next
04:12:55 18 comments, F seems like a security that the Ethereum
04:12:59 19 people used to raise money for a tech venture.

04:13:05 20 Did you have that same belief?

04:13:09 21 A. I don't remember.

04:13:12 22 Did I, or do I?

04:13:14 23 Q. Did you back then, at the time of this?

04:13:17 24 A. I don't remember.

04:13:18 25 Q. Do you now?

04:13:19 1 A. No.

04:13:21 2 Q. You write further down, I definitely think
04:13:26 3 we need to disassociate XRP from being an ICO, but
04:13:30 4 not sure what the right strategy would be.

04:13:37 5 Did Ripple eventually adopt a strategy
04:13:40 6 around this?

04:13:41 7 MR. HORTON: Objection to form.

04:13:43 8 A. I don't know. I don't remember.

04:13:46 9 Q. Why did -- when you say, I definitely think
04:13:50 10 we need to disassociate, are you talking about
04:13:51 11 Ripple?

04:14:03 12 A. Yes.

04:14:04 13 Q. And why did you think Ripple needed to
04:14:06 14 disassociate from XRP -- disassociate XRP from being
04:14:12 15 an ICO?

04:14:14 16 A. You know, ICOs, in 2017, were a bit of a
04:14:16 17 four-letter word in crypto. It was really kind of
04:14:23 18 a -- a bit of a black eye, I felt. Some pretty
04:14:29 19 unscrupulous people doing unscrupulous things, in
04:14:34 20 ICOs. A lot of fraud.

04:14:35 21 And I didn't want -- I didn't want any of
04:14:36 22 that coming even close to XRP at things we were doing
04:14:40 23 around this cross-border payments. So I didn't want
04:14:42 24 to -- I didn't want XRP to be guilty by association
04:14:45 25 somehow.

04:14:46 1 Q. Did your view have anything to do with the
04:14:48 2 fact that the SEC had been saying that ICOs were
04:14:54 3 sales of securities?

04:14:56 4 MR. HORTON: Objection to form.

04:14:58 5 A. I don't think I knew that.

04:15:01 6 So no.

04:15:32 7 MS. WAXMAN: Exhibit 67.

04:15:33 8 (Email exchange re: Great to See You, Bates
04:15:33 9 0199245 through -250, was marked MV Exhibit 67
04:15:33 10 for identification, as of this date.)

04:15:56 11 Q. Mr. Vias, I'm showing you what's been
04:15:58 12 marked as Exhibit 67, which has the Bates 0199245
04:16:04 13 through -250.

04:16:15 14 My questions are really going to focus on
04:16:18 15 the first page of the exhibit.

04:16:20 16 (Witness reviewing document.)

04:19:53 17 A. All right.

04:19:54 18 Q. Do you recall sending this email?

04:19:56 19 A. I do not.

04:19:59 20 Q. Who is [REDACTED]?

04:20:04 21 A. He was on the product team at Ripple.

04:20:07 22 Q. And who is [REDACTED]?

04:20:11 23 A. I think [REDACTED] was on the data team at
04:20:14 24 Ripple, I believe.

04:20:18 25 Q. Why did you tell Dinuka and others on the

04:20:23 1 cc line that they needed to be very discerning about
04:20:27 2 how they speak about XRP to anyone outside of the
04:20:32 3 org?

04:20:34 4 A. Yeah. I think I mentioned this in my
04:20:38 5 testimony before. You know, the company had
04:20:46 6 60 billion XRP. I always felt like it was a
04:20:52 7 little -- like, it was counterproductive to tell
04:20:56 8 folks that, Hey, we really like XRP. We think it's
04:21:00 9 great. We think the price is going to the moon.

04:21:04 10 You know, if somebody came to me and said
04:21:07 11 that, and they were long 60 billion of something, I
04:21:09 12 would be like, You don't say?

04:21:13 13 So, you know, I always felt like there was
04:21:18 14 no upside in doing things like that. And it was
04:21:22 15 also, as I've kind of -- as you've seen in some the
04:21:26 16 other emails and chats, for me, the price was
04:21:30 17 sometimes, honestly, a hindrance, as people tended to
04:21:36 18 focus on that, and it could get a little distracting.

04:21:40 19 You know, technology was -- was so
04:21:44 20 impactful, in my opinion, to this use case, I really
04:21:49 21 did like -- I liked it when we focused on that. So
04:21:57 22 yeah, I just didn't want price to be the thing that
04:22:01 23 folks talked about. I didn't find it very useful.

04:22:07 24 Q. You don't -- you -- was it so obvious --
04:22:10 25 did you think it was so obvious to the market that,

04:22:14 1 for a holder of 60 billion of the asset, the price
04:22:19 2 going up would be a good thing?

04:22:28 3 MR. HORTON: Objection to form.

04:22:30 4 A. Do you own 60 billion of anything?

04:22:33 5 I mean --

04:22:35 6 Q. Is that a yes?

04:22:38 7 A. I don't know what the market thinks. What
04:22:39 8 I can tell you is if someone came to me and said,
04:22:42 9 Hey, I own 60 billion of something, and I think it's
04:22:47 10 great, I would be like, Of course you do. Like,
04:22:51 11 what's the upside?

04:22:59 12 Q. Did you tell people to be very discerning
04:23:02 13 about how they speak about XRP in order to avoid
04:23:06 14 XRP's classification as a security?

04:23:09 15 MR. HORTON: Objection to form.

04:23:10 16 A. No.

04:23:14 17 Q. Why did you say to be discerning about how
04:23:15 18 we speak about XRP outside of the organization?
04:23:23 19 Could people talk about it however they chose inside
04:23:26 20 the organization?

04:23:27 21 MR. HORTON: Objection.

04:23:28 22 A. I don't remember why I made that
04:23:29 23 distinction, to be honest.

04:23:33 24 Q. You go on to say, We present the use case.
04:23:41 25 Did Ripple believe that if XRP had a use

04:23:44 1 case, it could avoid classification as a security?

04:23:48 2 MR. HORTON: Objection to form.

04:23:49 3 A. I don't know.

04:23:52 4 Q. Why would you talk about the use case in
04:23:54 5 November 2017, when xRapid hadn't even been launched
04:23:59 6 or wasn't even available for commercial use?

04:24:02 7 MR. HORTON: Objection to form.

04:24:05 8 A. I believed strongly that it would be.

04:24:11 9 I mean, this is all we did. Like, we --
04:24:16 10 there was a pretty strongly held belief that this was
04:24:19 11 going to be a thing.

04:24:22 12 Q. What was going to be a thing?

04:24:23 13 A. A thing, XRapid; cross-border payments
04:24:27 14 being facilitated by XRP as a bridge asset.

04:24:31 15 Q. Did Ripple promote XRP as a cross -- as an
04:24:35 16 option for banks to use for cross-border payments?

04:24:40 17 MR. HORTON: Objection to form.

04:24:41 18 A. I don't remember what the publicly facing
04:24:45 19 marketing said about accepting banks being used for
04:24:49 20 cross-border payments.

04:24:50 21 Q. Did you ever speak about XRP publicly?

04:24:55 22 A. Yes.

04:24:56 23 Q. Did you ever make statements about Ripple's
04:25:01 24 work related to getting XRP adopted by banks for
04:25:05 25 cross-border payments?

04:25:07 1 MR. HORTON: Objection to form.

04:25:08 2 A. I don't remember.

04:25:24 3 Q. Did you promote XRP as an investment to
04:25:25 4 speculators on XRP Chat?

04:25:28 5 MR. HORTON: Objection to form.

04:25:28 6 A. Not -- not that I remember.

04:25:30 7 Q. Earlier we saw some posts on XRP Chat in
04:25:33 8 August of 2017. You were talking about price on
04:25:36 9 those chats.

04:25:37 10 MR. HORTON: Objection to form.

04:25:45 11 A. I would have to go back and look at the
04:25:46 12 document to know exactly what I was saying in the
04:25:49 13 chats because I don't remember. I think I also -- if
04:25:51 14 I did -- and I'm not saying I did or I didn't -- but
04:25:56 15 if I did, I think I also in a few places said I don't
04:25:59 16 really want to talk about the price. I don't really
04:26:01 17 think the price is that important.

04:26:04 18 Q. I think I recall, and we can go back to the
04:26:07 19 document, you said that was it was a forgone
04:26:10 20 conclusion that the price would go up?

04:26:13 21 MR. HORTON: Counsel, can I propose that if
04:26:15 22 we're going to talk about -- if we're going to go
04:26:16 23 back to the other document, can we take a short break
04:26:18 24 before we do that?

04:26:19 25 MS. WAXMAN: Sure.

04:26:20 1 MR. HORTON: You were asking questions
04:26:21 2 about a document that hasn't been in front of him for
04:26:23 3 some time.

04:26:24 4 MS. WAXMAN: Sure. Do you want to go off
04:26:25 5 the record?

04:26:25 6 MR. HORTON: Yes, please.

04:26:26 7 MS. WAXMAN: It's 4:26. We're off the
04:26:28 8 record.

04:26:29 9 THE VIDEOGRAPHER: Going off the record at
04:26:29 10 4:26.

04:26:31 11 (A recess was taken from 4:26 to 4:41.)

04:41:43 12 THE VIDEOGRAPHER: We are back on the
04:41:43 13 record at 4:41 p.m. Eastern.

04:41:49 14 (Email re: XRP - Customer Interviews, Bates
04:41:49 15 0461976 through -1979, was marked MV Exhibit 19
04:41:49 16 for identification, as of this date.)

04:41:50 17 Q. Mr. Vias, I would like to show you what's
04:41:53 18 been marked as MV 19, which is a document with the
04:41:56 19 Bates 0461976 through -1979. This is a continuation
04:42:08 20 of a chain, an email chain, we looked at earlier
04:42:12 21 today.

04:42:52 22 (Witness reviewing document.)

04:45:51 23 A. Okay.

04:45:55 24 Q. Earlier we spoke about the email at the
04:45:58 25 bottom of page 2, where Monica indicates in an email

04:46:04 1 To [REDACTED] [sic] that it's, quote, It's clear
04:46:09 2 we are going to have is to invest our near-term
04:46:11 3 energy into attracting speculators.

04:46:14 4 And then Patrick asks you to follow up on
04:46:18 5 that?

04:46:19 6 A. It's not clear. It looks like this -- just
04:46:27 7 the email here, 10:54, this may have been to me.
04:46:33 8 It's not clear, because you get Patrick and then
04:46:36 9 Patrick again. And there's no response from me.

04:46:38 10 Where he's like, Your response is all over
04:46:41 11 the place, I'm like, Which one?

04:46:45 12 Q. Is he referring to what's in Exhibit MV 18?
04:46:52 13 Do you still have that in front of you?

04:47:32 14 A. I don't know. Maybe.

04:47:37 15 Q. MV 18 has a -- an email from you, at 8:47.
04:47:41 16 And then there's a response in Exhibit MV 19, at
04:47:47 17 11:59.

04:47:57 18 MR. HORTON: Sorry, is there a question?

04:48:06 19 Q. Yeah. The question was, did Patrick make a
04:48:11 20 request, in connection with the email from Monica
04:48:19 21 below, about attracting speculators?

04:48:26 22 A. Sorry, just trying to figure this out. So
04:48:44 23 he sends this email at 10:54 p.m. I'm guessing
04:48:48 24 that's Pacific.

04:48:58 25 Q. Did Patrick work out of California?

04:49:00 1 A. Yeah.

04:49:01 2 Q. He did?

04:49:01 3 A. Yeah.

04:49:06 4 Or was this was my time because this was to
04:49:08 5 me? This would have been, I think, my time.

04:49:13 6 I think that maybe that makes sense. So
04:49:15 7 10:54 is late, my time.

04:49:21 8 That's 8:00 -- yeah, so -- so, yeah, I
04:49:25 9 think we -- if we make this my time, the MV 19, and
04:49:31 10 then we make MV 18 California time, I think things
04:49:35 11 line up, right. So 10:54 his time -- is my time,
04:49:39 12 7:54 his time.

04:49:40 13 And then I respond, maybe about an hour
04:49:43 14 later, at 8:47 p.m., my time, California. And then
04:49:46 15 this seems to be an internal thread between [REDACTED]
04:49:49 16 and Monica, without Patrick on it.

04:49:53 17 Q. So was Patrick disappointed in your
04:49:56 18 response?

04:49:57 19 MR. HORTON: Objection to form.

04:49:58 20 A. I think he uses the verbiage, Your response
04:50:07 21 is all over place. And he just completely ignored my
04:50:10 22 email.

04:50:13 23 Q. So he wasn't happy?

04:50:15 24 MR. HORTON: Objection to form.

04:50:17 25 A. I don't know. There's an exclamation point

04:50:19 1 at the end of that. Maybe he was thrilled.

04:50:21 2 Q. Was Patrick difficult to get along with, as
04:50:23 3 a boss?

04:50:23 4 A. No, I wouldn't saw he was difficult.

04:50:26 5 Q. Did he agree on your strategy with respect
04:50:33 6 to XRP?

04:50:34 7 MR. HORTON: Objection to form.

04:50:40 8 A. You know, I don't -- I don't know that we
04:50:41 9 ever had a conversation as to where he fully agreed,
04:50:43 10 but he never got in the way of anything I was trying
04:50:46 11 to do.

04:50:49 12 Q. Did he agree that Ripple's prior efforts
04:50:51 13 with respect to XRP had not been as successful?

04:50:57 14 MR. HORTON: Objection to form.

04:50:57 15 A. I don't know.

04:50:59 16 Q. At the very top of the page, you write,
04:51:01 17 I've been actively following market sentiment around
04:51:05 18 XRP for months now. And there are some clear trends.

04:51:11 19 First, where did you look for -- look
04:51:15 20 for -- to find market sentiment for XRP?

04:51:20 21 A. I don't remember.

04:51:23 22 Q. Did you consider this part of your job?

04:51:33 23 A. I mean, yeah. I think so, yes.

04:51:42 24 Q. Why did you consider it part of your job to
04:51:50 25 understand market sentiment?

04:51:54 1 MS. COWAN: Objection.

04:51:56 2 A. I don't know. Just felt like something I
04:52:00 3 should do.

04:52:05 4 Q. Ripple was trying to attract more investors
04:52:08 5 for XRP at the time. Correct?

04:52:14 6 MR. HORTON: Objection to form.

04:52:19 7 A. I wouldn't say that, no.

04:52:23 8 Q. What would you say?

04:52:25 9 A. In March of 2017? I can't speak for
04:52:28 10 Ripple. I was trying to figure out how are we going
04:52:32 11 to build a liquid market around XRP to put a product
04:52:35 12 on top of it. This was actually right around the
04:52:37 13 time frame we first drew up xRapid on the whiteboard.

04:52:41 14 Q. On the whiteboard. When you say "on the
04:52:41 15 whiteboard," you mean you first had the idea of --
04:52:43 16 Ripple first had the idea of xRapid?

04:52:45 17 A. No, no, no. So, remember, I mentioned
04:52:47 18 that -- I think I mentioned this today, that there
04:52:51 19 was kind of an intent to build similar functionality,
04:52:55 20 with respect to what xRapid does but using the
04:52:58 21 protocol. I don't know if I mentioned that today.

04:53:03 22 But some of the efforts, previous to me
04:53:05 23 joining, and some of the -- some of the efforts
04:53:07 24 around trying to build liquidity on the protocol,
04:53:09 25 revolved around the similar use case, on cross-border

04:53:14 1 payments, but using the protocol instead of
04:53:16 2 off-ledger changes. So -- so the protocol has -- has
04:53:21 3 decentralized exchanges on it.

04:53:23 4 So, initially, I think the idea was they
04:53:26 5 would use that infrastructure to facilitate the
04:53:31 6 transferring of the -- of the cash or the value,
04:53:33 7 whatever. That just wasn't working.

04:53:37 8 So, yeah, I think in March of '17, the --
04:53:42 9 the focus here was -- and in that -- when that
04:53:46 10 whiteboard session was, Okay, can we do what we were
04:53:49 11 trying to do off ledger on ledger?

04:53:51 12 I think there was some discussions around
04:53:52 13 not using IOP. Remember, there were some thread
04:53:57 14 inside of the company as to we had to use IOP, for
04:54:01 15 some reason. I didn't know the way IOP worked. I
04:54:04 16 still don't know the way IOP works. But it certainly
04:54:07 17 wasn't necessary for xRapid.

04:54:09 18 Q. You said there was a -- I think you may
04:54:19 19 have misspoke.

04:54:20 20 Was there a discussion -- was there a
04:54:22 21 discussion of -- doing what you did, on ledger off
04:54:26 22 ledger?

04:54:34 23 A. Could you be a little bit more specific,
04:54:36 24 Daphna? I'm sorry.

04:55:01 25 Q. You said, Okay, can we do what we are to do

04:55:04 1 off ledger on ledger. I think you --

04:55:08 2 A. The other way around.

04:55:09 3 Q. Right.

04:55:10 4 A. Yeah.

04:55:10 5 Q. So you meant was, can we do what we were
04:55:13 6 doing on ledger --

04:55:15 7 A. Trying to do.

04:55:15 8 Q. -- off ledger?

04:55:16 9 A. Sorry, I apologize. Yes.

04:55:18 10 Q. Just wanted to clarify.

04:55:19 11 A. No, I know it's confusing.

04:55:22 12 Q. Why wasn't it what Ripple was doing working
04:55:25 13 on ledger?

04:55:28 14 MR. HORTON: Objection to form.

04:55:29 15 A. I don't know for certain. My opinion at
04:55:34 16 the time, and it's why we ended up going the path
04:55:36 17 that we -- that we did, was that there -- we were
04:55:40 18 fighting the rest of crypto.

04:55:43 19 So if you think of the crypto markets, all
04:55:47 20 of the activity around crypto trading is happening on
04:55:49 21 exchanges, mostly. Even -- in 2017, you start to
04:55:54 22 have some over-the-counter trading, but still the
04:55:56 23 vast majority of it is happening on exchanges.

04:56:00 24 So just -- it just felt really challenging
04:56:03 25 to tell folks, Okay, hey, well, you're trading on

04:56:06 1 Bitfinex, and that's where you're going to trade all
04:56:10 2 of your other crypto. But why don't you come off --
04:56:14 3 off that exchange onto this protocol and trade here
04:56:18 4 too?

04:56:22 5 You know, in particular, for a market
04:56:25 6 maker, that's really inefficient, because now you
04:56:28 7 have to have two pools of capital in two places.
04:56:30 8 You're locking up your opportunity because now you
04:56:33 9 have to have \$1,000 at the exchange and \$1,000 on the
04:56:36 10 protocol main markets.

04:56:37 11 So I always felt that that was the primary
04:56:39 12 reason why we were struggling to coalesce liquidity
04:56:42 13 on the protocol. Just that there were these other
04:56:46 14 liquidity pool that wasn't participating in -- in the
04:56:48 15 protocol.

04:56:49 16 And even more so, it was fighting against
04:56:52 17 what -- that protocol for -- for capital.

04:56:59 18 Q. You said that you've been following market
04:57:01 19 sentiment and there are some clear trends. Are you
04:57:04 20 talking about trends in connection with market
04:57:07 21 sentiment?

04:57:13 22 A. I don't -- I don't remember what I'm
04:57:14 23 referencing here.

04:57:16 24 Q. Do you remember what trends?

04:57:17 25 A. I don't.

04:57:20 1 Q. Let's look at 117.

04:57:22 2 (Document titled How We Talk about XRP,
04:57:22 3 Bates 0624330 through -332, was marked MV
04:57:22 4 Exhibit 117 for identification, as of this
04:57:22 5 date.)

04:57:39 6 Q. Mr. Vias, I'm showing you what's been
04:57:41 7 marked as MV 117, which is a document with a
04:57:44 8 Bates 0624330 through -332.

04:57:51 9 (Witness reviewing document.)

05:01:24 10 A. Okay.

05:01:26 11 Q. Have you ever seen this document before?

05:01:29 12 A. I don't remember.

05:01:31 13 Q. Have you ever discussed anything that's in
05:01:34 14 this document with any nonattorneys at Ripple?

05:01:41 15 A. I don't remember.

05:01:50 16 Q. Does this refresh your memory as to whether
05:01:51 17 you received any guidance on how to talk about XRP?

05:01:58 18 MR. HORTON: Are you asking about guidance
05:01:59 19 from nonlawyers?

05:02:00 20 MS. WAXMAN: Yes.

05:02:03 21 MS. COWAN: Objection.

05:02:04 22 A. I -- I don't remember seeing this document
05:02:06 23 before.

05:02:11 24 Q. Did Ripple seek to avoid talking about XRP
05:02:14 25 as an investment?

05:02:16 1 MR. HORTON: Objection to form.

05:02:18 2 A. I don't know.

05:02:32 3 Q. Did you understand that Ripple statements
05:02:35 4 to the market about XRP were important to the
05:02:39 5 question of XRP status?

05:02:43 6 MR. HORTON: Objection to form.

05:02:45 7 A. No.

05:02:50 8 Q. On the second page at the top, it says, How
05:02:53 9 we talk about XRP and why it matters.

05:02:57 10 And then the second paragraph, second
05:03:03 11 sentence says, XRP is distinct from Ripple the
05:03:06 12 company, and XRP has a unique value separate from the
05:03:10 13 company.

05:03:11 14 Didn't we look at emails earlier today
05:03:17 15 where you or Ripple stated at that XRP's value was --
05:03:22 16 had -- XRP's price had moved in relation to Ripple
05:03:25 17 announcements?

05:03:27 18 MR. HORTON: Objection. Form.

05:03:33 19 A. I'm sorry, I'm just -- maybe it's because
05:03:34 20 I'm tired, it's a long day, but I am having trouble
05:03:38 21 connecting that question to what's on the paper.

05:03:40 22 Q. It says that XRP is distinct from Ripple
05:03:44 23 the company, and XRP has a unique value separate from
05:03:47 24 the company.

05:03:48 25 Do you agree with that statement, that --

05:03:51 1 do you agree with the statement that XRP has a unique
05:03:53 2 value separate from the company?

05:03:58 3 A. Yes.

05:04:00 4 Q. But earlier did you -- did you -- did you
05:04:07 5 believe that certain of -- certain Ripple
05:04:10 6 announcements had impacted XRP's price in the market?

05:04:15 7 MR. HORTON: Objection to form.

05:04:17 8 A. I don't remember testifying to that today,
05:04:18 9 no.

05:04:26 10 Q. Did Ripple want to avoid SEC classification
05:04:29 11 of XRP?

05:04:31 12 MR. HORTON: Objection to form.

05:04:32 13 A. I don't know.

05:04:34 14 Q. Would this have severely limited the
05:04:36 15 company and the founders' ability to sell XRP into
05:04:39 16 the market?

05:04:41 17 MR. HORTON: Objection to form.

05:04:41 18 A. I don't know.

05:04:42 19 Q. Would this have severely limited the
05:04:44 20 company -- the company's and the founders' ability to
05:04:48 21 profit from the XRP?

05:04:49 22 MR. HORTON: Objection to form.

05:04:50 23 A. I don't know.

05:04:57 24 Q. Were you told not to talk about XRP as an
05:05:01 25 investment?

05:05:03 1 A. I don't remember that, no.

05:05:15 2 MS. WAXMAN: Exhibit 88, please.

05:05:17 3 (Email exchange re: Application - for Your
05:05:17 4 Review and Signature, Bates 0034575, was marked
05:05:17 5 MV Exhibit 88 for identification, as of this
05:05:17 6 date.)

05:05:42 7 Q. Mr. Vias, I'm showing you what's been
05:05:44 8 marked as MV 88, which is a document with
05:05:46 9 Bates 0034575.

05:06:22 10 A. Okay.

05:06:23 11 Q. Earlier today, we spoke about Ripple's work
05:06:28 12 in connection with exchanges. Correct?

05:06:30 13 A. Yes.

05:06:30 14 Q. Market participants were asking you
05:06:34 15 questions about the legal status of XRP under the
05:06:36 16 federal securities laws.

05:06:38 17 MR. HORTON: Objection to form.

05:06:39 18 A. I don't remember.

05:06:44 19 Q. Does MV 88 refresh your memory as to
05:06:47 20 whether Bittrex asked you questions about XRP's
05:06:51 21 status under the federal securities laws?

05:06:55 22 A. So he's -- I mean, he's referencing here
05:06:57 23 the Howey analysis. I'm assuming that has to do with
05:07:01 24 this securities laws, but I don't -- I don't exactly
05:07:04 25 know what the tie, Howey to the law, is.

05:07:09 1 Sorry. I apologize if that's random or not
05:07:12 2 clear.

05:07:13 3 Q. Are you familiar with what is known as the
05:07:15 4 Howey test?

05:07:17 5 MR. HORTON: Objection.

05:07:18 6 A. Vaguely.

05:07:18 7 Q. And what is the Howey test?

05:07:21 8 MR. HORTON: Objection.

05:07:22 9 A. As far as I understand it, it's the litmus
05:07:24 10 test for whether or not something's a security.

05:07:26 11 Q. Okay. And so does this refresh your memory
05:07:30 12 of whether Bittrex was asking questions about XRP's
05:07:33 13 status as a security?

05:07:37 14 MR. HORTON: Objection. Asked and
05:07:37 15 answered.

05:07:41 16 A. Yeah. I mean, I think [REDACTED] is -- he's
05:07:43 17 saying, I'm looking for a way to help our outside
05:07:46 18 counsel get more comfortable with the Howey analysis.
05:07:49 19 He doesn't specifically say it's about XRP but given
05:07:52 20 the email's to [REDACTED] and he was our lawyer, I'm
05:07:53 21 assuming it has to do with XRP.

05:07:58 22 Q. So Bittrex wanted to know whether there was
05:08:00 23 a legal opinion regarding XRP?

05:08:02 24 MR. HORTON: Objection to form.

05:08:03 25 A. I don't know.

05:08:06 1 Q. Was XRP status under the federal securities
05:08:09 2 laws important to digital asset platforms that were
05:08:13 3 looking to partner or list XRP?

05:08:19 4 MR. HORTON: Objection to form.

05:08:30 5 A. I don't know.

05:08:33 6 For all them, I don't know.

05:08:34 7 Q. Did some of them ask questions about XRP
05:08:37 8 status under the federal securities laws?

05:08:40 9 MR. HORTON: Objection to form.

05:08:40 10 A. Yes.

05:08:41 11 Q. Which ones?

05:08:42 12 A. Oh, I won't remember them all off the top
05:08:45 13 of my head.

05:08:46 14 Q. And people wanted to know what Ripple's
05:08:49 15 position was on that issue?

05:08:51 16 MR. HORTON: Objection to form.

05:08:55 17 A. Yes.

05:08:56 18 Q. And what did you tell them?

05:08:59 19 MR. HORTON: Objection. Lack of
05:09:00 20 foundation.

05:09:04 21 A. I usually told them to speak to legal.

05:09:08 22 Q. Did you participate in conversations that
05:09:11 23 exchanges had with Ripple legal?

05:09:21 24 A. At times. Not often. But at times, yeah.

05:09:30 25 Q. Were these platforms concerned that XRP

05:09:32 1 could be deemed a security?

05:09:34 2 MR. HORTON: Objection to form.

05:09:43 3 A. I think so, yeah.

05:09:45 4 Q. Isn't that why they sought clarification
05:09:48 5 from Ripple?

05:09:49 6 MR. HORTON: Objection to form.

05:09:51 7 A. I mean, I think that's why they wanted
05:09:53 8 clarification, writ large.

05:09:55 9 Q. What did Ripple do to -- if anything, to
05:09:59 10 address these concerns that XRP could be a security?

05:10:02 11 MR. HORTON: Objection to form.

05:10:06 12 A. I don't remember in every case.

05:10:08 13 Q. Do you remember what they did in the case
05:10:10 14 of Bittrex?

05:10:13 15 A. Actually, I don't remember how this ended
05:10:14 16 up.

05:10:16 17 Q. Do you remember what they did in any case?

05:10:19 18 MR. HORTON: Objection. Asked and
05:10:19 19 answered.

05:10:22 20 A. In any case.

05:10:25 21 Q. In any -- at any point.

05:10:30 22 MR. HORTON: Same objection.

05:10:32 23 A. Yeah, I mean, I think a few times we -- we
05:10:36 24 had, like, legal talk to their legal. I don't
05:10:41 25 remember.

05:10:41 1 Q. What did legal say in those conversations?

05:10:45 2 MR. HORTON: Objection.

05:10:47 3 A. I wouldn't have been part of all of the
05:10:50 4 conversations, I don't think.

05:10:52 5 Q. The conversations that you were present,
05:10:55 6 what did legal say?

05:11:00 7 A. I remember one in particular, which was the
05:11:02 8 [REDACTED]

05:11:08 9 And in that conversation, our legal
05:11:15 10 basically walked the [REDACTED] lawyers through a document
05:11:20 11 we had, basically saying that XRP wasn't a security
05:11:24 12 and the rationale for it.

05:11:24 13 THE COURT REPORTER: I'm sorry, was or
05:11:24 14 wasn't?

05:11:28 15 THE WITNESS: Was not.

05:11:31 16 Q. Did Ripple provide a legal opinion from a
05:11:33 17 law firm stating that XRP was not a security?

05:11:37 18 MR. HORTON: Objection to form.

05:11:38 19 A. I don't remember the -- what the document
05:11:39 20 was. Actually, I don't -- I don't think I ever saw
05:11:41 21 it.

05:11:45 22 Q. You don't think you ever saw the document
05:11:46 23 that legal provided?

05:11:49 24 A. I don't think legal provided it ever. On
05:11:51 25 the [REDACTED] call, I think they spoke to it.

05:11:55 1 Q. And what -- when you say you don't think
05:11:57 2 they provided "it" ever, what are you referring to?

05:12:00 3 A. To [REDACTED] folks.

05:12:19 4 Q. What did Ripple tell [REDACTED] about XRP status
05:12:22 5 under the federal securities laws?

05:12:24 6 MR. HORTON: Objection to form.

05:12:26 7 A. On that call?

05:12:28 8 Q. On any call.

05:12:30 9 MR. HORTON: Objection.

05:12:30 10 A. I don't know.

05:12:32 11 Q. Specifically related to XRP status under
05:12:35 12 the federal securities laws.

05:12:36 13 A. The only -- the only call that I remember
05:12:38 14 is the one that I'm referencing now, which is where
05:12:40 15 our legal was on the phone with their legal. And all
05:12:43 16 I remember is, you know, our legal saying it's not a
05:12:48 17 security. This is our rationale. And we have a
05:12:49 18 document that says it.

05:12:50 19 Q. And what document were they referring to
05:12:53 20 when they said, We have a document that says this?

05:12:57 21 A. I don't know.

05:12:59 22 Q. Was it a legal opinion from a law firm?

05:13:06 23 A. I -- I can't say for sure.

05:13:08 24 Q. Did any platform decide not to do business
05:13:10 25 with Ripple after you provided information regarding

05:13:18 1 Ripple's opinion about XRP status?

05:13:22 2 MR. HORTON: Objection to form.

05:13:27 3 A. I don't know.

05:13:33 4 Q. Other than [REDACTED] did any other platform tell
05:13:36 5 you -- ask you about XRP status under the federal
05:13:40 6 securities laws?

05:13:43 7 A. I don't --

05:13:44 8 MS. COWAN: Objection.

05:13:44 9 A. I don't remember.

05:13:46 10 Q. Did [REDACTED] ask you about XRP status under the
05:13:50 11 federal securities laws?

05:13:55 12 A. I'm sorry, I don't know who that is. I
05:13:56 13 don't know who [REDACTED] is.

05:14:01 14 Q. My understanding is it's the platform.

05:14:05 15 A. Oh. From what year?

05:14:07 16 Q. I think I can show you a document.

05:14:09 17 A. Yeah, I don't know. It's not ringing a
05:14:11 18 bell.

05:14:12 19 Q. Did [REDACTED] not move forward with an XRP index
05:14:20 20 due to the fact that Ripple could not provide -- or
05:14:22 21 did not provide it with a -- a legal opinion that XRP
05:14:27 22 was not a security?

05:14:29 23 MR. HORTON: Objection to form.

05:14:32 24 A. I don't know if that's why they didn't move
05:14:34 25 forward.

05:14:35 1 Q. Did you have any understanding as to why
05:14:37 2 they didn't move forward with an XRP future?

05:14:42 3 A. Because they didn't have an index.

05:14:47 4 Q. Didn't the -- did you have any
05:14:51 5 understanding as to why the [REDACTED] didn't move forward
05:14:54 6 with an XRP index?

05:14:56 7 A. I don't think I ever got the definitive
05:14:58 8 answer.

05:14:58 9 Q. Did you have any understanding, even
05:15:00 10 though -- even if it wasn't definitive, what their
05:15:03 11 thinking was?

05:15:05 12 A. No.

05:15:44 13 Q. Did Gemini ever tell you that it could not
05:15:48 14 move forward with an XRP listing due to concerns that
05:15:52 15 XRP could be deemed a security?

05:15:54 16 A. Not that I remember.

05:16:23 17 MS. WAXMAN: Exhibit 89, please.

05:16:25 18 (Bittrex xRapid Partnership Agreement,
05:16:25 19 Bates Stamps 0158997 through 059004, was marked
05:16:25 20 MV Exhibit 89 for identification, as of this
05:16:25 21 date.)

05:16:29 22 MS. WAXMAN: How much time do I have left?

05:16:32 23 THE VIDEOGRAPHER: We're going to 5:54,
05:16:35 24 so -- what is that? 30 --

05:16:45 25 MR. TENREIRO: 38.

05:16:46 1 THE VIDEOGRAPHER: Yeah, 38.

05:16:46 2 Q. Mr. Vias, I'm showing you what's been
05:16:48 3 marked as MV 89, which is a document with the Bates
05:16:51 4 Stamp 0158997 through 059004. And I'm going to ask
05:16:59 5 you about section 4, paragraph 3. If you would just
05:17:09 6 focus on that.

05:17:25 7 A. Indemnification?

05:17:26 8 Q. Correct.

05:18:06 9 (Witness reviewing document.)

05:18:12 10 A. Okay.

05:18:12 11 Q. Do you recognize what's been marked as
05:18:13 12 MV 89?

05:18:23 13 A. Do I recognize -- no, I don't remember
05:18:26 14 this.

05:18:28 15 Q. This is a draft -- says it's a draft,
05:18:31 16 Bittrex-xRapid partnership agreement.

05:18:35 17 In the middle of section 4, paragraph 3,
05:18:40 18 there's a sentence that reads, For the avoidance of
05:18:43 19 doubt, indemnified claims shall not include any
05:18:47 20 claims of losses arising from Bittrex's listing of
05:18:50 21 XRP for transactions for purchase, trade, or sale by
05:18:53 22 its customers, or any claims or losses related to the
05:18:56 23 regulatory classification of XRP.

05:18:59 24 Is that a sentence that Ripple added to the
05:19:01 25 contract -- draft contract?

05:19:04 1 MR. HORTON: Objection. Lack of
05:19:05 2 foundation.

05:19:06 3 A. I don't know.

05:19:08 4 MS. WAXMAN: Exhibit 90, please.

05:19:09 5 (Bittrex xRapid Partnership Agreement,
05:19:09 6 Bates Stamps 0158397 through -404, was marked MV
05:19:09 7 Exhibit 90 for identification, as of this date.)

05:19:19 8 Q. Again, I'm going to point you to section 4,
05:19:20 9 paragraph 3 of Exhibit 90, which has the
05:19:24 10 Bates 0158397 through 0158404.

05:19:42 11 A. What am I looking at?

05:19:43 12 Q. Section 4, paragraph 3, indemnification.
05:19:45 13 Same paragraph.

05:19:46 14 A. Same paragraph. Okay. Sorry.

05:19:48 15 (Witness reviewing document.)

05:20:16 16 A. Okay.

05:20:17 17 Q. In this version, in this document, in that
05:20:19 18 paragraph, it looks like the sentence that I just
05:20:21 19 read is deleted. Correct?

05:20:25 20 A. Yes.

05:20:26 21 MR. HORTON: Objection.

05:20:27 22 Q. Did Bittrex delete that sentence?

05:20:32 23 MR. HORTON: Objection. Lack of
05:20:33 24 foundation.

05:20:33 25 A. I don't know.

05:20:35 1 Q. Did Bittrex want Ripple to indemnify them
05:20:36 2 if sales of XRP were deemed sales of securities?

05:20:42 3 MR. HORTON: Objection. Lack of
05:20:43 4 foundation.

05:20:43 5 A. I don't know.

05:20:44 6 Q. Did Bittrex understand there was a risk
05:20:46 7 that XRP could be deemed a security?

05:20:50 8 MR. HORTON: Objection. Lack of
05:20:51 9 foundation.

05:20:51 10 A. I don't know.

05:20:51 11 Q. Did you have any discussions with anyone at
05:20:53 12 Bittrex about Ripple providing any indemnification to
05:21:00 13 Bittrex related to regulatory issues?

05:21:03 14 MR. HORTON: Objection. Rack of
05:21:04 15 foundation.

05:21:05 16 A. Not that I can remember, no.

05:21:15 17 Q. You were involved with xRapid pilots?

05:21:18 18 A. I was head of the team that was meant to
05:21:25 19 make them a reality, yeah.

05:21:26 20 Q. And what were the purpose of xRapid pilots?

05:21:35 21 A. Those were -- they were kind of proofs of
05:21:37 22 concept. You run pilots with the customers to flesh
05:21:42 23 out the product, to see how it works, how it doesn't
05:21:45 24 work, what the customers like, what they don't like,
05:21:47 25 what you need to refine in order to get it

05:21:53 1 deployable, in earnest.

05:21:57 2 Q. So proof-of-concept means to establish that
05:21:59 3 it actually works?

05:22:01 4 MS. COWAN: Objection.

05:22:03 5 A. No, not -- not that it actually works, but
05:22:06 6 how it works, how well it works.

05:22:09 7 I think by the time you get to a
05:22:11 8 proof-of-concept point, like you've -- you've tested
05:22:14 9 it enough to know that it -- it works. It's just
05:22:19 10 does it work in the wild, if you will.

05:22:21 11 Q. Or how well -- you're trying to test how
05:22:24 12 well it works.

05:22:25 13 A. How well it works, yes.

05:22:28 14 MS. WAXMAN: Exhibit 91, please.

05:22:30 15 (Email exchange re: Need Help ASAP -
05:22:30 16 Western Union, Bates [REDACTED] 0028696 through -697,
05:22:30 17 was marked MV Exhibit 91 for identification, as
05:22:30 18 of this date.)

05:22:44 19 Q. Mr. Vias, I'm showing you what's been
05:22:45 20 marked as MV 91, which is a document with the Bates
05:22:48 21 [REDACTED] 0028696 through -697.

05:22:53 22 (Witness reviewing document.)

05:24:19 23 A. Okay.

05:24:20 24 Q. Were you involved with Western Union's
05:24:22 25 pilot of xRapid?

05:24:30 1 A. I was.

05:24:30 2 Q. And were you familiar with the results of
05:24:32 3 the xRapid -- the Western Union xRapid pilot?

05:24:38 4 MS. COWAN: Objection.

05:24:39 5 A. I don't remember.

05:24:43 6 I must have been, but I don't remember what
05:24:45 7 they were.

05:24:54 8 Q. Did Western Union publicly comment about
05:25:00 9 the xRapid pilot with Ripple?

05:25:04 10 MR. HORTON: Objection.

05:25:05 11 A. I don't know.

05:25:07 12 Q. Did Western Union say that the -- that the
05:25:11 13 use of XRP did not provide any cost savings?

05:25:16 14 MR. HORTON: Objection to form.

05:25:16 15 A. I don't know.

05:25:18 16 Q. Your email at the top, what are you talking
05:25:23 17 about here?

05:25:24 18 A. I'm responding to [REDACTED]'s email around some
05:25:29 19 Fortune article that was going to come out.

05:25:31 20 Q. Regarding?

05:25:34 21 A. [REDACTED] CEO saying they have not
05:25:36 22 seen any cost savings from xRapid.

05:25:39 23 Q. You respond, quote, Cost savings were never
05:25:43 24 the goal of the pilot.

05:25:46 25 Did Ripple ever communicate that cost

05:25:47 1 savings were never the goal of the xRapid pilot?

05:25:52 2 MR. HORTON: Object to form.

05:25:53 3 A. I don't know.

05:25:56 4 Q. Did Ripple publicly state that xRapid
05:26:01 5 pilots showed cost savings for customers?

05:26:04 6 MR. HORTON: Objection.

05:26:06 7 A. I don't know.

05:26:14 8 Q. Well, could you infer that that's what they
05:26:15 9 were saying, that's why [REDACTED] had come out
05:26:22 10 and said that they did not experience any cost
05:26:25 11 savings?

05:26:26 12 MR. HORTON: Objection to the form.

05:26:34 13 A. I don't know. I mean, the only mention of
05:26:36 14 cost savings in this email is the email from the
05:26:38 15 Fortune person, I think, to [REDACTED] And I -- I do not
05:26:41 16 know where he's getting the 40 to 70 percent, or
05:26:45 17 where that was released, or what he's referencing.

05:26:48 18 Q. Did Ripple ever state that customers would
05:26:49 19 save between 40 and 70 percent by using XRP in
05:26:53 20 connection with xRapid?

05:26:56 21 MR. HORTON: Objection to form.

05:26:56 22 A. I don't know.

05:26:59 23 Q. Then you go on to say, The purpose of the
05:27:00 24 pilot with [REDACTED] was to provide the utility, speed and
05:27:05 25 payment certainty with the understanding that if [REDACTED]

05:27:08 1 wanted to go into production, we could, through
05:27:12 2 incentives, match or beat their cost.

05:27:16 3 Ripple never communicated publicly that it
05:27:18 4 would use incentives to match or beat costs, right?

05:27:26 5 MR. HORTON: Objection to form.

05:27:27 6 A. I don't know.

05:27:33 7 Q. Then you go on to say, I think it's
05:27:35 8 important to restate the fact that xRapid is meant
05:27:38 9 for challenger payment providers without the reach
05:27:40 10 and sophisticated treasury options of a [REDACTED]

05:27:49 11 Ripple publicly stated that banks would use
05:27:51 12 xRapid. Right?

05:27:53 13 MR. HORTON: Objection to form.

05:27:55 14 A. I don't know.

05:28:02 15 Q. Then you go on to say at the bottom, As for
05:28:04 16 the 40 to 70 percent cost savings calculation, I
05:28:07 17 wasn't close to that release but [REDACTED] and [REDACTED]
05:28:13 18 should be able to help.

05:28:14 19 Did you ever see any analysis to back up
05:28:16 20 any claim that xRapid provided 40 to 70 percent cost
05:28:19 21 savings?

05:28:21 22 MR. HORTON: Objection to form.

05:28:22 23 A. I don't remember.

05:28:22 24 Q. To your knowledge, did Ripple do any
05:28:24 25 analysis to verify the amount of cost savings that it

05:28:27 1 publicized?

05:28:29 2 MR. HORTON: Objection to form.

05:28:30 3 A. I don't remember.

05:28:32 4 Q. Did these cost savings take into account
05:28:35 5 incentive payments that Ripple provided to users of
05:28:39 6 xRapid?

05:28:40 7 MR. HORTON: Objection to form.

05:28:41 8 A. I don't know.

05:28:58 9 Q. When you left xRapid, in April 2020 --

05:29:01 10 A. Ripple?

05:29:03 11 Q. -- Ripple in April 2020, did you think
05:29:06 12 xRapid was scalable?

05:29:10 13 MS. COWAN: Objection.

05:29:12 14 A. Yes.

05:29:14 15 Q. And why did you think it was scalable?

05:29:20 16 MS. COWAN: Objection.

05:29:26 17 A. I -- I thought all the necessary pieces
05:29:28 18 were there to create a scalable product.

05:29:31 19 Q. At the time you left, were banks using
05:29:35 20 xRapid?

05:29:38 21 A. Not that I know of.

05:29:40 22 Q. And why were banks not using xRapid?

05:29:45 23 MR. HORTON: Object to the form.

05:29:45 24 A. I don't know.

05:29:49 25 Q. Did you ever have conversations with

05:29:51 1 anyone -- with any banks about xRapid?

05:29:55 2 A. Not that I can remember, no.

05:30:02 3 Q. Did you ever raise any concerns while you
05:30:05 4 were at Ripple?

05:30:11 5 MS. COWAN: Objection.

05:30:15 6 Q. You can answer the question.

05:30:16 7 A. Did I ever raise any concerns while I was
05:30:17 8 at Ripple?

05:30:18 9 Q. Uh-huh.

05:30:20 10 MS. COWAN: About anything?

05:30:21 11 A. About anything?

05:30:22 12 Q. Yes, about anything.

05:30:22 13 A. About, like, the coffee being bad?

05:30:25 14 Q. You don't seem like the person who would
05:30:27 15 raise that objection, that concern.

05:30:29 16 Did you raise any concerns concerning your
05:30:32 17 role while you were at Ripple?

05:30:35 18 MS. COWAN: Objection.

05:30:36 19 A. I don't remember.

05:30:38 20 Q. Did you raise any concerns regarding
05:30:40 21 Ripple's XRP strategy while you were at Ripple?

05:30:44 22 MS. COWAN: Objection to form.

05:30:46 23 A. Yeah, I don't remember.

05:30:53 24 Q. You said earlier that you left Ripple in
05:30:55 25 April 2020.

05:30:58 1 Why did you leave?

05:31:08 2 A. You know, Brad and I sat down and we agreed
05:31:10 3 it was -- it was time to make a change.

05:31:16 4 Q. Did Brad pressure you to leave?

05:31:20 5 A. No. I would say it was like 60/40, 65/35
05:31:24 6 Brad saying, Hey, I think it's time, and me agreeing.

05:31:27 7 Q. And why did he think it was time for you to
05:31:29 8 leave?

05:31:30 9 MR. HORTON: Objection to form.

05:31:31 10 A. I don't know.

05:31:34 11 Q. Did you receive poor performance reviews
05:31:37 12 from Brad?

05:31:40 13 MS. COWAN: Objection.

05:31:41 14 A. Brad was never my direct report, so no.
05:31:45 15 I -- I never received any poor -- or positive reviews
05:31:48 16 from Brad.

05:31:49 17 Q. So why did he -- did he tell you when you
05:31:52 18 sat down with him -- what did he say at the time that
05:31:55 19 he sat down with you that you had this conversation,
05:31:57 20 about, Hey, it's time for you to leave?

05:32:02 21 A. I think literally he said, Hey, I think
05:32:04 22 it's time for you to leave.

05:32:05 23 Q. Did you ask him why he felt that?

05:32:09 24 A. No. I remember -- no, being a little sad
05:32:14 25 about it. It wasn't -- that's not a comfortable

05:32:16 1 thing to hear.

05:32:19 2 But I also agreed.

05:32:22 3 Q. You agreed with what?

05:32:24 4 A. With -- that it was time to move on.

05:32:27 5 Q. Why was it time to move on?

05:32:30 6 A. So I had come back from paternity leave in
05:32:34 7 October of 2020. I went on pat leave in July, so I
05:32:39 8 was gone for three months. And I really
05:32:43 9 disconnected, and I really wanted to spend time with
05:32:45 10 the family.

05:32:45 11 And when I came back, you know, [REDACTED] who
05:32:51 12 I got along with very well, she was transitioning out
05:32:55 13 and wasn't really -- I don't think she ran the BD
05:32:58 14 team anymore, and the markets team was in a little
05:33:01 15 bit of flux. And I -- I basically said to [REDACTED], who
05:33:04 16 was my report, my direct report, I reported to him, I
05:33:07 17 said, look, I don't -- I don't see where I fit
05:33:11 18 naturally anymore, kind of on the rapid team, on the
05:33:14 19 markets team. I would really like to incubate this
05:33:17 20 other idea around using the -- the balance sheet, the
05:33:21 21 XRP balance sheet, for prime brokerage.

05:33:23 22 And I really think it's a great use case
05:33:26 23 for the balance sheet. Balance sheet just sits
05:33:28 24 there, does nothing. I want to -- you know, I want
05:33:31 25 to explore this and see if we can either create a

05:33:35 1 spinoff or -- in -- in-house, however.

05:33:39 2 And I got the go-ahead to do that. So I
05:33:45 3 spent three months, from October to -- two and a half
05:33:49 4 months, from October to, like, mid-Dec, basically
05:33:54 5 putting together that plan, the idea, prospective
05:33:55 6 team, doing research around the market, the
05:33:58 7 opportunity. You know, I presented it to leadership,
05:34:02 8 and they said no.

05:34:07 9 That was mid-December.

05:34:09 10 And then the holidays happened. And it
05:34:14 11 just -- it wasn't clear, sort of, where I -- now
05:34:18 12 what?

05:34:19 13 So when I sat down with Brad, it wasn't
05:34:21 14 wholly surprising, like it was -- my -- my role was
05:34:25 15 in flux.

05:34:27 16 Q. What was your role before you left?

05:34:30 17 A. So right before I left, I think my -- my --
05:34:36 18 my responsibility revolved fully around xRapid
05:34:39 19 partnerships and xRapid development.

05:34:42 20 Q. Why was your role in flux?

05:34:45 21 Why was that role in flux?

05:34:47 22 A. When I came back?

05:34:49 23 Well, partially because I had put it in
05:34:52 24 flux. I said, I don't really want to do that
05:34:54 25 anymore; I want to focus on this idea.

05:34:56 1 So then at that point it had been six
05:34:58 2 months since I'd been away from kind of operational
05:35:02 3 responsibilities around xRapid partnerships. That's
05:35:04 4 a long time to be away from the team. It's hard to
05:35:08 5 integrate you back. And, frankly, I didn't -- I
05:35:10 6 don't know if I wanted to do that. I really wanted
05:35:12 7 to do this brokerage idea.

05:35:14 8 Q. When you talk about Ripple's balance sheet,
05:35:16 9 are you referring to Ripple's XRP holdings?

05:35:19 10 A. Yes.

05:35:20 11 Q. And did you recommend that Ripple spin off
05:35:27 12 a prime brokerage for XRP?

05:35:33 13 A. I don't know that that necessarily
05:35:34 14 recommended -- if I recommended the spinoff or
05:35:38 15 whether we did it in-house. I think it was a
05:35:39 16 spinoff, yeah. I think that's right, yeah.

05:35:42 17 Q. And did you get feedback from Brad about
05:35:48 18 the idea?

05:35:49 19 A. Yes.

05:35:49 20 Q. And what was his feedback?

05:35:50 21 A. His feedback was he wasn't sure the timing
05:35:53 22 was right. He felt like it might distract the
05:35:57 23 organization from the core. He was -- really -- you
05:36:04 24 know, he wanted to kind of drive the company towards
05:36:07 25 an IPO, and this might be distracting to that.

05:36:11 1 He also said he didn't think I was the
05:36:13 2 right person to do it.

05:36:16 3 Q. Who initially gave you the go-ahead? You
05:36:19 4 said, initially, you got the go-ahead, but later in
05:36:22 5 December --

05:36:22 6 A. I got the go-ahead to -- to -- you know,
05:36:26 7 flesh out the idea, but not to actually do it.

05:36:34 8 Q. Who gave you the go-ahead to flesh out the
05:36:37 9 idea?

05:36:44 10 A. I don't remember exactly. I don't remember
05:36:46 11 how that happened.

05:36:48 12 Q. And just briefly, how would you use
05:36:52 13 Ripple's XRP holdings as part of this business --
05:36:57 14 prime brokerage business?

05:36:59 15 MS. COWAN: Objection.

05:37:01 16 A. So prime brokerage business -- really
05:37:06 17 all -- all the PB is a very big balance sheet that
05:37:10 18 insulates customer from credit losses. So if you
05:37:13 19 think of, like, two small hedge funds that want to
05:37:16 20 trade with each other but neither one of them has a
05:37:18 21 great credit. And as a result, the -- their credit
05:37:21 22 teams and their legal teams can't agree for them to
05:37:23 23 trade. Partially because of settlement issues. It's
05:37:26 24 often who goes first.

05:37:28 25 And they won't extend any credit line, so

05:37:32 1 you have to -- you have to gross settle everything so
05:37:34 2 they won't net settle everything. And it gets very,
05:37:38 3 very inefficient to trade with other folks.

05:37:39 4 So in FX, in the early '90s, banks saw this
05:37:43 5 as an opportunity and they started to basically
05:37:46 6 extend their balance sheet to their fund customers.

05:37:48 7 So what happens is a fund now, instead of
05:37:50 8 you and I trading directly with each other, we trade
05:37:53 9 with a third party that has better credit than both
05:37:57 10 of us. So we'll trade with each other and then we
05:37:59 11 will give that trade up, name give up to the PB. So
05:38:04 12 that at the end of the day, we're not settling with
05:38:06 13 one another.

05:38:08 14 I thought that that was -- there was an
05:38:10 15 analog to where cryptocurrency markets were at the
05:38:13 16 end of '19 and the early part of '20 to FX, and in
05:38:19 17 some respects, precious metals as well, in the early
05:38:23 18 '90s.

05:38:23 19 And other feedback I got back from the
05:38:24 20 market was that a PB would be fantastic because it
05:38:27 21 would solve a lot of issues, particularly around
05:38:31 22 settlement, because cryptos are the bare assets. You
05:38:34 23 know, it's like we trade and it's like, Well, okay,
05:38:36 24 so send me the Bitcoin first.

05:38:38 25 And I'm like, Well, no. Why don't you send

05:38:40 1 me the money first.

05:38:41 2 That's -- a prime brokerage solves that,
05:38:44 3 right, because a prime broker has better credit than
05:38:47 4 everybody. And it's like, No, everybody is going to
05:38:49 5 settle with me first. And then I'll disburse, right?

05:38:51 6 So the idea around the crypto -- the XRP
05:38:53 7 balance sheet is that it was the big -- I think it
05:38:56 8 still is the biggest balance sheet in all of crypto.
05:38:58 9 So that would be the tool that we could use to build
05:39:03 10 a trading business, a prime brokerage business where
05:39:07 11 folks would trade with the PB.

05:39:10 12 MR. HORTON: Counsel, I just want to
05:39:11 13 clarify something on the record quickly. Mr. Vias
05:39:13 14 stated a few moments ago that he came back from
05:39:15 15 paternity leave in October 2020, and I believe he
05:39:17 16 meant October 2019.

05:39:19 17 THE WITNESS: Thank you. Sorry about that.

05:39:21 18 Q. Can you -- when you say you were talking
05:39:37 19 about the biggest balance sheet in crypto, are you
05:39:39 20 talking about Ripple's XRP holdings being the
05:39:42 21 biggest -- holdings that one entity holds?

05:39:46 22 MS. COWAN: Objection.

05:39:47 23 A. I believe so. I believe that's the biggest
05:39:50 24 crypto balance sheet out there.

05:39:54 25 Q. Upon leaving Ripple, did you agree to

05:39:57 1 provide anything in connection with the SEC's
05:40:00 2 investigation or litigation as part of your
05:40:03 3 separation from the company?

05:40:05 4 MR. HORTON: Objection. Form.

05:40:07 5 A. I don't think so, no.

05:40:09 6 Q. Are you paying for your representation by
05:40:11 7 counsel today?

05:40:13 8 A. I am not.

05:40:14 9 Q. Is Ripple covering your attorneys fees?

05:40:16 10 A. Yes.

05:40:17 11 Q. Did you receive any sources of contribution
05:40:19 12 from Ripple or any affiliated entity when you left?

05:40:24 13 MS. COWAN: Objection.

05:40:25 14 A. In terms of, like, severance?

05:40:26 15 Q. Yes.

05:40:28 16 A. Yes, I think I got [REDACTED] severance.

05:40:31 17 Q. Did you receive anything else?

05:40:36 18 MR. HORTON: Objection to form.

05:40:36 19 A. Not that I think recall, no.

05:40:38 20 Q. Did you receive any XRP?

05:40:39 21 A. No.

05:40:44 22 MS. WAXMAN: Let's go off the record.

05:40:45 23 THE VIDEOGRAPHER: Going off the record --

05:40:46 24 MS. WAXMAN: 5:40.

05:40:46 25 THE VIDEOGRAPHER: -- at 5:40 p.m. Eastern.

05:40:50 1 (A recess was taken from 5:40 to 5:49.)

05:49:48 2 THE VIDEOGRAPHER: We are back on the
05:49:48 3 record at 5:49 p.m. Eastern.

05:49:53 4 Q. Mr. Vias, I'm showing you what's been
05:49:55 5 marked as Exhibit 71. It's a document with the
05:49:58 6 Bates 0371769 through -771.

05:50:03 7 (Email exchange re: Increasing Retail
05:50:03 8 Support of XRP, Bates 0371769 through -771, was
05:50:03 9 marked MV Exhibit 71 for identification, as of
05:50:03 10 this date.)

05:52:01 11 (Witness reviewing document.)

05:52:51 12 A. Okay.

05:52:53 13 Q. The top email you write, The retail use
05:52:57 14 case is one that has not panned out in any digital
05:53:01 15 currency. Outside of places like Venezuela and
05:53:06 16 Zimbabwe and ICOs, to date, the only use for any
05:53:10 17 asset is pure speculation.

05:53:12 18 So in December 2017, you understood that
05:53:22 19 nobody was using XRP to buy goods and services?

05:53:25 20 MR. HORTON: Objection to form.

05:53:25 21 A. No.

05:53:32 22 Q. Is your answer, no, you -- you -- you did
05:53:36 23 not believe that?

05:53:36 24 Or what was your understanding regarding
05:53:39 25 the retail use case for digital currency in

05:53:44 1 December 2017?

05:53:47 2 A. So I thought that the majority of the --
05:53:49 3 the majority of the activity around digital
05:53:52 4 currencies was speculation.

05:53:58 5 Q. Well, you say to date the only use case for
05:54:00 6 any asset is pure speculation.

05:54:03 7 And what do you mean by "retail use case"?

05:54:09 8 A. So if you look at Dinuka's email, where
05:54:15 9 he's saying bring back -- promoting XRP is a
05:54:18 10 peer-to-peer digital asset, that's the retail use
05:54:22 11 case that he's talking about. And that's what I am
05:54:26 12 referencing with respect to Zimbabwe and Venezuela.

05:54:30 13 You know, this like, peer-to-peer exchange
05:54:34 14 of a digital currency as payment, at that point,
05:54:36 15 hadn't really taken off anywhere. So I was a little
05:54:39 16 skeptical.

05:54:46 17 Q. Did others at -- did everyone at Ripple
05:54:47 18 also acknowledge that nobody was using XRP in that
05:54:49 19 way that you just described?

05:54:51 20 MR. HORTON: Objection to form.

05:54:58 21 A. First, I don't know that no one was using
05:54:59 22 it. I just -- it wasn't a retail use case that
05:55:02 23 seemed to be taking off, if anybody was using it. In
05:55:04 24 Venezuela and Zimbabwe, in particular, Argentina now
05:55:08 25 little bit, there's definitely use of crypto as

05:55:12 1 payment. I don't know -- at the time, I don't think
05:55:13 2 that there was much going on outside of these two
05:55:16 3 places.

05:55:17 4 Q. Did Ripple limit its sales to retail use in
05:55:23 5 Venezuela and Zimbabwe?

05:55:27 6 MR. HORTON: Objection to form.

05:55:27 7 A. We not sell in Zimbabwe and Venezuela, as
05:55:34 8 far as I know.

05:55:35 9 Q. At the bottom of the email, you say, In my
05:55:36 10 opinion, what we need is more traction in its use
05:55:39 11 case and more exposure around that traction and for
05:55:41 12 XRP generally.

05:55:43 13 What do you mean by "more exposure around
05:55:45 14 that transaction"?

05:55:49 15 MR. HORTON: Objection. That's not the
05:55:50 16 email.

05:55:56 17 I think you said "transaction."

05:55:58 18 A. Traction.

05:56:00 19 MS. WAXMAN: Traction. Thank you.

05:56:01 20 A. I don't remember exactly what I meant by
05:56:05 21 this.

05:56:05 22 Q. Was "more exposure" meant to mean more
05:56:08 23 market or more promotion?

05:56:10 24 MR. HORTON: Objection to form.

05:56:17 25 A. I think around the use case, we were

05:56:19 1 starting to get -- this is December '17. I think we
05:56:22 2 had just done the pilots or were in the middle of the
05:56:25 3 pilots. I felt like that was a really big step. I
05:56:33 4 think at the time, it was the first -- it was the
05:56:36 5 first example of -- like -- real-world companies,
05:56:40 6 transacting real value not in some test net, but in
05:56:43 7 the real world.

05:56:44 8 Like, even the pilots, though, they were
05:56:47 9 small, it felt like a huge deal. Because here you
05:56:51 10 had companies that were, in some instances, public,
05:56:54 11 had real businesses. And here they were taking time,
05:56:57 12 energy resources to try this. And they were doing so
05:57:02 13 in a way that wasn't -- so much of crypto projects
05:57:05 14 back then, everything was a pilot but it was in,
05:57:07 15 like, a closed loop, and it was completely
05:57:10 16 controlled. We didn't do that.

05:57:13 17 So I felt like that traction was a big
05:57:15 18 deal.

05:57:17 19 Q. Would increased exposure around that
05:57:21 20 traction help speculation for XRP?

05:57:27 21 MR. HORTON: Objection to form.

05:57:28 22 A. I don't know.

05:57:28 23 Q. Well, why would you want to increase the
05:57:31 24 exposure at that time, if the only use for the asset
05:57:35 25 at the time was speculation?

05:57:38 1 MR. HORTON: Objection.

05:57:39 2 A. So when you -- when you're building
05:57:43 3 anticipation for a product like xRapid, especially as
05:57:47 4 you're targeting -- you know, payments companies,
05:57:51 5 they are highly regulated. The margins aren't great.

05:57:54 6 You know, I think if -- if you approached
05:57:59 7 30 payments companies with something like this, you
05:58:04 8 know -- I don't know, I'm not going to speculate on a
05:58:07 9 number -- but you -- the 30 won't come along. And
05:58:11 10 they'll all have different reasons for not coming
05:58:13 11 along.

05:58:13 12 So I think marketing that traction and
05:58:18 13 signaling that, Hey, I think this is working,
05:58:21 14 increases interest in the use case, increases
05:58:24 15 interest in the product and gets you some inbounds,
05:58:25 16 makes outbound conversations easier, and makes it
05:58:29 17 easier to point to things that are working so that
05:58:32 18 you're not constantly kind of running uphill with
05:58:36 19 conversations around using the product.

05:58:38 20 Q. But it also increases speculation in XRP.

05:58:49 21 MS. COWAN: Objection.

05:58:50 22 MR. HORTON: Objection.

05:58:51 23 Is that a question?

05:58:54 24 A. Question?

05:58:55 25 Q. In your opinion, does this increased

05:58:58 1 exposure to Ripple's efforts to develop a use help
05:59:01 2 speculation?

05:59:03 3 MR. HORTON: Objection to form.

05:59:03 4 A. I don't know.

05:59:09 5 THE VIDEOGRAPHER: Counsel, you have
05:59:10 6 four minutes left.

05:59:11 7 Q. Exhibit 4, please.

05:59:12 8 (Email re: 2t off, 6t on, Bates GSR0017343,
05:59:12 9 was marked MV Exhibit 4 for identification, as
05:59:12 10 of this date.)

05:59:13 11 Q. Mr. Vias, I'm showing you what's been
05:59:15 12 marked as Exhibit MV 4, which is the document
05:59:18 13 GSR0017343.

05:59:24 14 While you're -- before you get that
05:59:26 15 document, are you familiar with an entity called
05:59:28 16 Rippleworks?

05:59:30 17 A. Yes.

05:59:31 18 Q. Okay. And did you instruct Ripple's market
05:59:39 19 makers as to Ripple's -- Rippleworks' sales of XRP?

05:59:45 20 MR. HORTON: Objection to form.

05:59:45 21 A. Not that I can remember, no.

05:59:48 22 Q. Take a look at MV 4.

05:59:51 23 Let me know when you're done.

05:59:57 24 This is an email to GSR.

05:59:59 25 A. Uh-huh.

06:00:00 1 Q. And, it's from you. It's dated
06:00:03 2 December 2016. You say, We are going to turn Ripple
06:00:07 3 bot 2T off, but please leave Rippleworks 6T on.

06:00:13 4 So you provided instructions to GSR for
06:00:16 5 Rippleworks' sales of XRP?

06:00:19 6 MR. HORTON: Objection to form.

06:00:21 7 A. So in this email -- and, again, three weeks
06:00:25 8 in, it's me and [REDACTED] We don't have an operations
06:00:28 9 around this at all.

06:00:29 10 If I remember correctly, the way this works
06:00:31 11 is either [REDACTED] or [REDACTED] would have instructed --
06:00:37 12 and this is, again, before we had an instruction. We
06:00:40 13 didn't have any meetings. It was basically somebody
06:00:43 14 said, Hey, tell the market makers to turn off our
06:00:47 15 bots and leave Rippleworks on.

06:00:50 16 Q. Would you turn off Ripple bots -- Ripple's
06:00:52 17 bots and leave Rippleworks' bots on?

06:00:57 18 A. I don't know.

06:00:57 19 Q. Why were you giving instructions relating
06:01:00 20 to Rippleworks' bot?

06:01:04 21 MR. HORTON: Objection to form.

06:01:04 22 A. I don't know.

06:01:10 23 Q. Did you ever provide instructions
06:01:11 24 concerning Rippleworks' bots on any other occasion?

06:01:14 25 MR. HORTON: Objection to form.

06:01:14 1 A. I don't remember.

06:01:15 2 MS. WAXMAN: Okay. We don't have any more
06:01:22 3 questions.

06:01:23 4 Counsel, do you have any questions?

06:01:25 5 MS. COWAN: We have no questions.

06:01:26 6 MS. WAXMAN: We're off the record at 6:01.

06:01:35 7 THE VIDEOGRAPHER: This concludes the
06:01:36 8 deposition for Miguel Vias for June 28, 2021. We are
06:01:43 9 going off the record at 6:01 p.m. Eastern.

06:01:46 10 (Time noted: 6:01 p.m.)

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1 CERTIFICATE OF WITNESS

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4 I, MIGUEL VIAS, do hereby declare under

5 penalty of perjury that I have read the entire

6 foregoing transcript of my deposition testimony,

7 or the same has been read to me, and certify that

8 it is a true, correct and complete transcript of

9 my testimony given on June 28, 2021, save and

10 except for changes and/or corrections, if any, as

11 indicated by me on the attached Errata Sheet, with

12 the understanding that I offer these changes and/or

13 corrections as if still under oath.

14 _____ I have made corrections to my deposition.

15 _____ I have NOT made any changes to my deposition.

16

17 Signed: _____

18 MIGUEL VIAS

19 Dated this _____ day of _____ of 20____.

20

21 Sworn to and Subscribed before me,

22 this _____ day of _____, 20____.

23 _____

24 Notary Public My commission expires: _____

C E R T I F I C A T E

STATE OF NEW YORK)
) Ss.:
COUNTY OF NEW YORK)

I JEFFREY BENZ, a Certified Realtime Reporter,
Registered Merit Reporter and Notary Public within and
for the State of New York, do hereby certify:

That the witness whose examination is hereinbefore
set forth was duly sworn by me and that this transcript
of such examination is a true record of the testimony
given by such witness.

I further certify that I am not related to any of
the parties to this action by blood or marriage and that
I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this 29th of June, 2021.



JEFFREY BENZ, CRR, RMR

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ERRATA SHEET

Deposition of: MIGUEL VIAS
Date taken: JUNE 28, 2021
Case: SEC v. RIPPLE LABS, INC., et al.

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